



Annual Report on the Working of the Local Audit Department Bombay, 1937-38



BOMBAY

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No. L. 18/5—176.

ACCOUNTANT GENERAL'S OFFICE :
Bombay, 17th April 1939,

From

SIR RAGHAVENDRA RAU,
Accountant General, Bombay;

To

THE SECRETARY TO THE GOVERNMENT
OF BOMBAY,
General Department, Bombay.

Subject.—Annual Report on the working of the
Local Audit Department for 1937-38.

Sir,

I have the honour to submit the Annual Report on the working of the Local Audit Department for the year 1937-38 by the Examiner, Local Fund Accounts, Bombay.

2. I regret to have to draw the special attention of Government to the continued deterioration in the financial position and administration of a large number of local bodies which is brought to notice in the report.

I have the honour to be,
Sir,
Your most obedient servant,

P. R. RAU,
Accountant General.

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No. L. 18/5—3138.

Bombay, 22nd November 1938.

From

THE EXAMINER,
Local Fund Accounts, Bombay

To

THE ACCOUNTANT GENERAL,
Bombay

Sir,

I have the honour to submit the 31st Annual Report on the working of the Local Audit Department during the year 1937-38.

I have the honour to be,

Sir,

Your most obedient servant,

R. D. BALVALLY,

Examiner.

INTRODUCTION.

The permanent staff of the Department consists of one Examiner, one Assistant Examiner, 15 Senior Auditors, 33 Clerks (including 2 Typists and 5 leave reserves) and 22 peons. The total cost of the Department in 1937-38 amounted to Rs. 2,04,812 as shown in Appendix I to this Report.

2. As set forth in Appendix II, 719 audits have been entrusted to the Department and of them 363 are governed by the Bombay Local Fund Audit Act, 1930. During the year under report 12 new audits—11 permanently and 1 temporarily—were added to the work of the Department.

3. Mr. R. V. Trivedi was in charge of the Department till I succeeded him on 11th August 1937. Mr. T. N. S. Ratnam continued as Assistant Examiner throughout the year.

4. I toured for 120 days and inspected the accounts of 109 local bodies. The Assistant Examiner was on tour for 106 days and inspected the accounts of 70 local bodies.

5. The year commenced with 29 audits representing 206 days' work (for a party of one Senior and one Junior Auditor) in arrears on 1st April 1937 and closed with 96 audits representing 494 days' work in arrears. The increase in arrears was due to 12 new audits entrusted to the Department, 9 special audits undertaken during the year, extension of time limits in some cases necessitated by the increase in normal work and additional time which had necessarily to be allowed for the checking of leave accounts of Primary School teachers. A detailed report regarding arrears has been made to Government.

CHAPTER I.

Municipal Boroughs.

[Governed by the Bombay Municipal Boroughs Act, 1925.]

(a) *General.*

There are in the Province 27 Municipal Boroughs. The accounts of 24 of these were audited during the year. The accounts of 19 Boroughs were inspected by the Examiner or the Assistant Examiner. A sum of Rs. 33,000 representing excess or unauthorised payments, etc., has been ordered for recovery. This includes cash recoveries of Rs. 1,600 effected during the course of audit.

(b) *Accounts Irregularities.*(1) *Unsound financial policy and defective budgeting.*(A) *NORTHERN DIVISION.*

(a) *Bandra.*—(i) The financial position of the Municipality was not satisfactory and the total expenditure in 1936-37 exceeded the income by about Rs. 10,000. Owing to the inability of the Municipality to set aside a sinking fund for the second instalment of the loan of Rs. 5,22,000 out of the total loan of Rs. 9,22,000, Government have, as a special case, agreed to the Municipality's postponing the payment of the instalments to the fund till after the completion of the scheme.

(ii) Out of the Provident Fund moneys utilised for general purposes, a sum of Rs. 37,871 still remained to be recouped to the Fund and the Municipality proposes to repay it in five years. The sanction of Government to this proposal has been called for.

(iii) A scrutiny of the figures of the original and revised budgets and actual realisations in the last three years showed that the budgeting of the Board was defective inasmuch as the receipt side, especially under "Collection of Taxes" which formed nearly 85 per cent. of the total ordinary income, was unduly inflated. The impropriety of inflating estimates of revenue merely to balance the budget has been pointed out to the Board.

(b) *Nadiad.*—The average receipts and expenditure for the last three years showed an annual deficit of Rs. 1,425 and against the cash balance of Rs. 4,217 and Rs. 5,751 on 31st March 1936 and 1937 the Board's liabilities on account of deposits amounted to Rs. 6,895 and Rs. 6,110 respectively. With an average surplus revenue of Rs. 236 only and assets comprising only arrears of taxes, full realisation of which is doubtful, the financial position of the Board was most unsatisfactory. Though the position is being brought to the notice of the Municipality from year to year the Board has failed to adopt measures for improvement.

(B) CENTRAL DIVISION.

(a) *Ahmednagar*.—The financial position is not satisfactory. The expenditure during the year under audit exceeded the income by Rs. 6,595 and owing to the Board's poor finances the proposal to raise a loan of Rs. 15 lakhs was not approved by Government.

(b) *Poona City*.—Against the unspent balance of the loans raised for the New Drainage Scheme which worked up to 1·08 lakhs on 31st March 1937, the cash balance with the Municipality on that date, including the balances of the School Board, amounted to Rs. 12,000 only—indicating that about one lakh of rupees of loan moneys was diverted by the Municipality for purposes other than those for which the loans were raised. The Board has been advised to restore all the loan balances.

(c) *Satara City*.—(i) Out of the loan of Rs. 1,84,000 sanctioned by Government in G.R., G.D., No. 7528, dated 25th June 1932, a sum of Rs. 1,63,500 was raised between 21st January 1934 and 18th February 1936 but the Municipality had not issued debentures as required by the terms of the loan to the Companies whose tenders were accepted.

(ii) As the rate of interest at 7 per cent. offered for this loan was abnormally high in view of the present market conditions the Municipality has been advised to expedite its decision regarding the feasibility of raising another loan at a lower rate of interest for repayment of the present loan.

(iii) In spite of the suggestion of the Consulting Public Health Engineer the Municipality has not yet provided Depreciation Fund for its water works as required under G.Rs., G.D., No. 1001, dated 15th March 1934 and 3rd May 1934.

(C) SOUTHERN DIVISION.

Bijapur.—The financial position of the Municipality is steadily deteriorating and heading towards a crisis. The working balance which stood at Rs. 31,937 on 1st April 1936 dwindled down to a mere Rs. 2,228 on 31st March 1937 against which the liabilities on account of outstanding deposits were Rs. 14,401. Against the ordinary income of Rs. 2,74,607 during 1936-37, the recurring ordinary expenditure amounted to Rs. 2,90,922. On 15th November 1937 when the office was inspected by the Assistant Examiner the liabilities amounted to Rs. 44,669 against a cash balance of Rs. 3,477 only and for want of funds the Municipality had utilised a sum of Rs. 21,223 out of loan funds to meet current expenditure.

(2) *Breaches of Acts, Rules and Standing Orders of Government.*

(A) NORTHERN DIVISION.

(a) *Ahmedabad*.—Though the illegality of such contracts was pointed out last year, a contract for Rs. 27,822 for the school

building at Shahpur, extending over the next financial year, was entered into by the Public Works Committee, without the sanction of the Board required under section 48 (3) (c) of the Act.

(b) *Bandra*.—(i) The Chief Officer, on his own authority, sanctioned all items of expenditure up to Rs. 200 assuming that he could do so under section 48 of the Act. The implications of this section and the necessity for a specific delegation of powers to the Chief Officer under sections 46 and 58 (a) of the Act before he can exercise powers of sanction, have been pointed out to the Board.

(ii) Without the sanction of the Dispensary Committee and the approval of the Civil Surgeon as required by the Dispensary Rules and even without there being any provision in the budget, an order was placed by the Medical Officer on his own authority for a new Alpine Sun Lamp costing Rs. 716-8-0.

(iii) The assessment list was not authenticated at all as required by section 81 (4) of the Bombay Municipal Boroughs Act.

(c) *Broach*.—(i) In contravention of the requirements of section 209 of the Municipal Boroughs Act, the budget estimates for the year 1936-37 were sanctioned in June 1936, with the result that expenditure under various heads was incurred without any financial sanction during the first two months of the year. The Board has been advised to pass their budget in good time before the commencement of the year to which it relates in conformity with the statutory requirements referred to above.

(ii) Contrary to the requirements of section 84 (1) of the Act a complete revision of assessment list for house tax on buildings and lands was not carried out, though the attention of the Municipality is being drawn to this matter for the last two years.

(d) *Surat*.—The quadrennial revision of the assessment list which under section 84 (1) of the Municipal Boroughs Act, was due in 1936-37, was not carried out till the end of November 1937.

(B) CENTRAL DIVISION.

(a) *Dhulia*.—(i) Revised rates of taxes on factories and other buildings attached thereto sanctioned under G.R., G.D., No. S. 91 (49), dated 29th August 1935, were brought into force from 1st April 1936 instead of from 1st October 1935. This delay in imposing the tax on these properties at the revised rates resulted in a loss of nearly Rs. 2,195.

(ii) The assessment list was not authenticated at all as required by section 81 (4) of the Bombay Municipal Boroughs Act.

(b) *Lonavla*.—Though required by the Water Tax Rules, meters were not fixed in the case of all " pipe connections, nor in cases in which water supplied by 1/2" or 3/4" pipe connections was used for other than domestic purposes. Recoveries in such cases were made at the monthly minimum rate of Rs. 6 which under the rules is applicable to metered connections only. The

loss caused by the levy of minimum charges only in all such cases has been brought to the notice of the Board.

(c) *Poona City*.—(i) In contravention of the orders of Government contained in G.R., G.D., No. 216/33, dated 1st February 1933, Provident Fund moneys aggregating Rs. 1,76,160 were invested in the Municipality's own debentures. The Board has been advised to convert the investment into authorised securities.

(ii) Contrary to the provisions of Municipal Rules, General Sanitary Cess was not levied on some buildings in Parvati Peth; buildings used as gymnasia and those used for non-residential purposes. The buildings of the latter category were also not subjected to the levy of General Water Rate. Drainage tax though leviable on buildings exempted from the levy of house tax was not levied on certain buildings in Bhamburda Ward and residential buildings attached to a hospital were exempted from the levy of house tax on the ground that they were used for charitable purposes. Strict observance of the rules regulating the levy of taxes has been suggested to the Board.

(d) *Poona Suburban*.—The ex-Head Clerk of the Municipality who resigned service in 1931 to avoid prosecution or dismissal suggested by the Collector to the Board, was paid a sum of Rs. 4,750-10-0 as gratuity despite the facts that (a) the claim was not admissible under any of the Municipal Rules and (b) this inadmissibility was clearly pointed out to the Board both by the Collector and my office before the payment was actually made. The amount has been recommended for surcharge on the persons responsible for the payment.

(e) *Satara City*.—The assessment lists of two Wards and one Peth were published in May 1936, instead of before the commencement of the year as required by section 84 (2) of the Act.

(C) SOUTHERN DIVISION.

(a) *Belgaum*.—(i) In contravention of the Provident Fund Rules which require that the balance of the fund shall be invested in public securities, the whole balance was deposited in the Municipal Co-operative Society. The Society pays interest at 2½ per cent. only while the Municipality has to pay 3½ per cent. to the subscribers.

(ii) Rs. 18,076 worth of road materials were purchased during the year without calling for tenders by advertisement as required by section 50 of the Bombay Municipal Boroughs Act.

(b) *Gadag*.—License fees under rule 235 were not recovered, though the omission had been repeatedly pointed out in audit notes.

(c) *Hubli*.—The assessment list which, under the Act, should have been completed in all respects before 1st April 1936 was not authenticated till 31st March 1937.

(d) *Ratnagiri*.—Proportionate tax due for the year under section 82 (3) was not assessed and recovered on buildings newly completed during the year.

(3) *Unsound Administration.*

(A) NORTHERN DIVISION.

(a) *Bandra.*—(i) The arrears of taxes on 31st March 1937 amounted to Rs. 1,92,557, showing an increase of Rs. 7,000 over the previous years' arrears and 24 per cent. of the total demand. The percentage of arrears of house tax was 28 while that for Wheel Tax was 43; but adequate coercive measures were not resorted to. This state of affairs in spite of a comparatively large staff in the Collection Department must be regarded as unsatisfactory.

Another disquieting feature of the arrears was that although seven members of the Board were in arrears of taxes amounting to Rs. 1,487-8-0, special notices under section 28 (1)(e) of the Act were not issued despite attention having been drawn in the Inspection Notes. Even notices of demand under section 104 (3) of the Act were not issued against any of these members.

(ii) Works were executed without the estimates having been sanctioned by the Standing Committee and by the Board without provision in the budget and without executing contract agreements as required by proviso (b) to section 49(1) of the Act.

(iii) A Municipal Councillor placed a typewriter at the disposal of the Medical Officer, though it was neither required by the latter, nor was the purchase of the machine sanctioned either by the Dispensary Committee or the General Board. In spite of the orders of the Chairman and the Chief Officer, the machine was not returned to the Company. A sum of Rs. 190 was paid to the Company.

(b) *Broach.*—(i) Out of a fine of Rs. 490, worked out on the basis of measurements of roads not watered, and recovered from a contractor in the year 1934-35 in accordance with the penal clause in the agreement, a sum of Rs. 340 was refunded by the Board in the year 1936-37, without assigning any reasons. As the fine, representing the cost of work not done, was recoverable under the terms of the agreement, the refund allowed after two years without apparent justification for the same, has been held under objection.

(ii) Though Government have by their Resolution, General Department, No. S. 91(20), dated 2nd July 1934, accorded sanction to the levy of license fees for offensive trades, these fees were not recovered even after the omission was pointed out in previous audit. The Municipality has been asked to ascertain the loss on this account for the years 1935-36 and 1936-37 and to recover the same from the persons responsible therefor.

(iii) Though the Municipal rules provide for recovery of the terminal tax at the time the dutiable goods passed the "naka", the duty was, in practice, recovered subsequently from the importers. A merchant, who refused to pay the duty at the naka and who was prosecuted for smuggling the dutiable goods, was acquitted by the Court mainly in view of the practice referred to above. The Municipality thus lost not only the amount of tax recoverable but

had also to incur avoidable expenditure of Rs. 61. The Municipality has been advised to discontinue this practice which contravenes the provisions of the Act and the rules framed thereunder.

(c) *Nadiad*.—(i) An avoidable expenditure of Rs. 132-7-9 was incurred by the Municipality in defending a civil suit filed against it by a tax-payer in consequence of the Chief Officer's refusal to permit construction of a building. The judgment contained the following remarks :—

“ This is a typical case in which, to our great regret, we find the persons connected with and responsible for the Municipal administration, instead of being guided by larger civic considerations, being entangled in a private dispute and satisfying private grudge though the matter was finally set at rest by the High Court decision In my opinion, looking to the facts of the case, the Chief Officer has not at all been guided by any public considerations ; but has been a victim to the mischief played by the plaintiff's neighbour. It is for this reason that we see the Chief Officer delaying and ultimately refusing permission.”

Recovery of the amount from the person or persons responsible has been suggested.

(ii) Progress of recovery of arrears of house tax, Sanitary Cess and Wheel Tax was very slow, the percentages of outstandings being 50, 57 and 49 respectively of the demand. The Municipality has been advised to resort freely to coercive measures to effect recovery of these arrears.

(d) *Surat*.—(i) Large amounts of taxes are written off almost every year as irrecoverable without ascertaining, as required by Municipal rules, whether all processes for recovery were pushed on with due promptness and diligence and whether the sums due could not be recovered by legal proceedings against the defaulters. Such writes off during the year under report aggregated Rs. 27,759. The Municipality has been advised to enforce strict application of rules by requiring a thorough scrutiny of arrears proposed to be written off and also to impress upon the collection staff their responsibility in respect of amounts becoming irrecoverable due to their negligence.

(ii) In connection with the contract for the supply of electric energy for street lighting two schemes were offered by the Surat Electricity Supply Co. Ltd. Although the annual cost of Scheme A worked up to Rs. 1,03,125 against that of Rs. 1,23,285 for Scheme B, the latter was accepted by the Board without obtaining the views of the Municipal officers on the financial aspect of the Scheme or expert technical opinion.

(e) *Thana*.—The arrears of taxes have been steadily rising. On 31st March 1937 the arrears amounted to over Rs. 52,000 representing 30 per cent. of the total demand, while the percentage of arrears to the total demand under General Water Tax, Special Water Rate and Wheel Tax were 46, 41 and 62 respectively ; but

coercive measures provided in the Act were not resorted to. The arrears of other dues amounting to Rs. 31,865 were also very heavy.

(B) CENTRAL DIVISION.

(a) *Ahmednagar*.—(i) On the representation of a toll contractor that he had incurred heavy loss on account of famine conditions, the Board remitted a sum of Rs. 1,600. Similarly, the balance of Rs. 73-8-0 outstanding in respect of a contract pertaining to the year 1925-26 was written off on the ground of alleged loss to the contractor. In another case, against the claim of a lessee for remission of only half the amount of rent, full rent amounting to Rs. 260 was remitted on the ground that he was regular in payment. Interest on arrears of rent though decreed by the Court was forgone by the Board in one case. Such remissions and writes off apparently not being in the interests of the Board, it has been advised to reconsider its decisions.

(ii) Though the Municipality had, on 28th August 1935, decided to file suits against some sixteen well-to-do persons for the recovery of taxes and other dues amounting to Rs. 7,216 no action was taken by the pleader, who was also a Municipal Councillor. The Board, also, after two years changed its previous decision and transferred the responsibility of recovery to the Chief Officer by directing that he should recover by executing warrants against the defaulters; but no action was taken by the Chief Officer till the end of March 1938. The work of collection of taxes was slack as out of the total demand of Rs. 2,68,992, a sum of Rs. 87,647 representing nearly 33 per cent. remained outstanding at the close of the year. Coercive measures provided for in the Act were very sparingly resorted to and four councillors were allowed to remain in arrears till the close of the year.

(b) *Bhusawal*.—(i) Kerosene oil costing more than Rs. 500 was purchased during 1936-37 from a firm of which a Municipal Councillor was alleged to be a partner. The matter was stated to have been referred to the Collector for action under section 12 (3) (vi) of the Bombay Municipal Boroughs Act and his decision is awaited.

(ii) The same firm was, according to the conditions of the contract, bound to purchase empty tins from the Municipality at the rate of Rs. 32 per 100 tins; but they were actually sold at Rs. 23 per 100 tins. The loss thus sustained was Rs. 50.

(iii) A contractor had offered to supply metal at Rs. 6-12-0 per 100 cubic feet excluding royalty fees, but a rate of Rs. 7-4-0 including royalty fees was allowed to him by the Board. As under G.R., R.D., No. 5141, dated 31st May 1915, refund of such fees for materials used on Municipal works could have been obtained from the Taluka Local Board, the action of the Municipality in allowing higher rate resulted in a loss of Rs. 152-8-0 to its funds.

(iv) Two posts of teachers recommended for reduction by the Headmaster on 13th December 1935 and 4th July 1936 respectively were not abolished till 1st July 1937 with the result that expenditure on the pay of these two teachers from the dates on which they were reported to be in excess of requirements to the date of the actual abolition of the posts was practically a waste.

(v) The assessment fixed by the Chief Officer was in several cases reduced by the Appeal Committee without assigning any reasons for such reductions.

(c) *Chalisgaon*.—Inordinate delay in the completion of assessment list, involving curtailment of the normal time for effecting recovery of taxes and consequent accumulation of heavy arrears, was a disquieting feature. Arrears at the end of 1936-37 were over 50 per cent. of the total demand; but resort to coercive measures for recovery was very poor. The Municipality has been asked to remedy this state of affairs.

(d) *Dharangaon*.—(i) Illegal recovery of terminal tax on certain articles not included in the sanctioned schedule resulted in a civil suit against the Municipality which had to be compromised. The Municipality has been asked to explain why the avoidable expenditure of Rs. 141 incurred in defending the suit and paying half the costs to the plaintiff should not be recovered from the persons responsible.

(ii) In connection with a suit for defamation filed in 1931 by the President against another Councillor the Municipality had agreed to bear all expenses. The suit was subsequently compromised by the Councillor agreeing to pay Rs. 75 to the Municipality. The President having received and refused to credit this amount to the Municipality, a suit for recovery was filed against the President. This suit was also compromised for Rs. 25, but the Municipality having failed to pay the pleader engaged in the former suit, it was further involved in a suit for fees and costs which resulted in a decree against the Municipality. The whole affair, an outcome of party factions cost a net Rs. 69 to the Municipality.

(iii) The state of Terminal Tax accounts was highly unsatisfactory. The tax was not recovered in several cases, export certificates were granted without ascertaining whether the goods were actually exported or not, and though actual weight was, in several cases, found by the Railway to be highly in excess of that shown in the invoice, additional tax for the same was not recovered. A result of this slackness was the abnormal fall in income from this source from Rs. 9,000 in 1925-26 to Rs. 3,900 in 1936-37, indicating leakage of revenue.

(iv) Delay in completing the assessment list and poor employment of coercive measures for recoveries resulted in 32 per cent. of the total demand remaining unrecovered at the close of the year.

(c) *Dhulia*.—(i) Three Municipal Councillors who happened to be at Sholapur, attended the Local Self-Government Institute's Conference and were paid travelling allowance aggregating Rs. 180-12-0 though actually they had not been deputed by the Municipality,

The amount has been ordered for recovery from the Councillors concerned. But the Municipality resolved that these members should be treated as delegates.

(ii) In connection with the work of constructing a shed estimated to cost Rs. 2,259, two tenders received within the stipulated time and offering rates 9 and 7 per cent. less than the estimate were rejected as being high, while, of the remaining two, both of which were received late, one offering 10 per cent. less than the estimated rates was accepted in preference to the other offering reduction of 12½ per cent. on the ground that the latter was received very late. If the question of condonation of delay was a matter of discretion, its exercise in favour of the higher tender resulting in an increase of Rs. 56 in the cost of work was hardly businesslike.

(iii) The large expenditure of over Rs. 40,000 per annum incurred by the Municipality on public works was not susceptible of any audit check. The works were usually done departmentally. No measurements of the work done were taken. Large quantities of materials were purchased without obtaining competitive rates or without there being anything to show how and when or where they were utilised.

(f) *Jalgaon.*—(i) In connection with the water supply arrangements, unwarranted concessions not covered by the conditions of the contract were granted to an Electric Supply Company without any justification. For example, though the Company was not ready to supply water by electric energy and was required to give two months notice to the Municipality before it made arrangements for supplying water, in order to enable the Municipality to give notice of discharge to its pumping station staff, it was asked to undertake the management of pumping water with the aid of Municipal engines at a higher rate and for this purpose, buildings and sheds and two sets of Municipal engines and pumps were made over to them for use free of charge. The Municipality had also to incur an additional expenditure of Rs. 200 on account of "notice" pay to the staff. All this was mainly due to the anxiety of the Chief Officer that the Company should take immediate charge of the pumping station. Recoveries of the rent of Municipal property and cost of repairing the damage to the engine and the avoidable expenditure of Rs. 200 from the persons responsible have been suggested.

(ii) Arrears of taxes amounting to Rs. 301, due from an owner of four houses, were remitted on the ground of poverty, though these houses alone yielded an annual income of Rs. 650 from rents. The Municipality has been asked to justify the remission or to recover the amount from the persons responsible for the remission.

(iii) Lowest tenders from approved contractors were rejected without assigning any valid reasons and higher ones accepted. Thereby a loss of Rs. 236 was caused to the Municipal fund.

(iv) Actual rents realised by the owners, as reported in the statistics collected by the specially appointed clerks in connection with the preparation of the electoral rolls were, in many cases, found

to be much in excess of the annual letting values fixed for the purpose of assessment of taxes. The annual letting values of houses owned by four members of the Municipality were 50 per cent. less than the rents shown to have been actually realised. The Board has been advised to enquire into such cases.

(v) Several new buildings, permissions to construct which were granted in 1935-36 and 1936-37, escaped assessment due to the failure of the Chief Officer to issue completion certificates in respect of them as required under proviso (a) to section 124 (I) of the Bombay Municipal Boroughs Act.

(vi) Arrears of assessed taxes rose from Rs. 38,787 at the end of 1935-36 to Rs. 50,071 on 31st March 1937.

(g) *Nasik*.—(i) The work of constructing a new building for the office, which according to the terms of the contract was to be completed in September 1936 was not completed till the end of March 1937. Measurements were not taken from time to time and advances to the extent of Rs. 1,11,000 given from the building fund during the last three years have remained unadjusted.

(ii) Works expenditure in general was not properly accounted for inasmuch as (1) the rate list essential for scrutinizing the estimates was not prepared; (2) piecemeal estimates each not exceeding the limit of Rs. 500 were preferred in respect of big works instead of preparing one estimate for the entire work, obviously with a view to avoid the necessity of obtaining the Board's sanction; (3) progress of works was not watched through the works ledger and several important works were not entered therein; (4) materials were freely purchased without ascertaining the stock in hand and there was no evidence that they were fully used on the works; (5) unexpended stores at the close of the previous year were not accounted for in the stock account for 1936-37; (6) large advances were made; but recoveries or adjustment of these advances were not watched by maintaining a register; (7) work turned out by labour was not allocated in terms of the estimates; and (8) in some cases, muster rolls were unreliable as they contained entries subsequently made and also by appending unauthorised sheets; names of the same labourers were shown at different places for the same period and in the same muster and double wages were drawn for them; even wages for more labourers than those shown in the musters were drawn by showing marks of presence against lines which did not bear names of labourers. 47 cases of irregularities mentioned above were noticed in four musters alone and amounts representing double or doubtful claims were held back; but no enquiry was made into the attempted falsification of accounts.

(iii) Over 38 electric lights were given to some temples and mosques at the cost of the Municipality. This expenditure is not permitted by the Act.

(iv) Recoveries of several miscellaneous dues were not watched through Miscellaneous Demand Register with the result that they were lost sight of, till pointed out in audit.

(v) Rental values of houses as fixed by the Revision Officer after due enquiries were reduced in several cases by the Standing Committee without assigning any reasons for such reduction.

(vi) Defective system of maintaining the building Permission Register and lack of watch over the completion or occupation of new buildings resulted in omission to assess some buildings.

(vii) Against the total demand of Rs. 2,77,690 on account of taxes and other dues the arrears on 31st March 1937 amounted to Rs. 1,36,708 or 59 per cent. of the total demand. The percentage of arrears to total demand under Special Water rate for building purposes, Wheel Tax, General Water Rate and General Sanitary Cess was as high as 88, 85, 70 and 60 respectively; but only 32 warrants were issued and 5 actually executed. Seven Municipal Councillors were in arrears to the extent of Rs. 687-13-0 at the close of the year. The accumulation of most of the arrears appeared to be due to laxity on the part of the Municipal executive in resorting to the coercive measures provided in the Act. As delay will only jeopardise recovery, the Board has been advised to take prompt action for recovery of the dues.

(h) *Poona Suburban*.—(i) Against the average income of Rs. 370 realised during the preceding three years from the auction sale for the right of grazing and sowing on Municipal lands, no income was realised during 1936-37 as the auction sale originally fixed for 18th August 1936 was postponed from time to time for various reasons and when the matter finally came before the new Standing Committee in December 1936 it was found that no grass had been left then!

(ii) Though a Municipal Councillor was in arrears of house tax for 1936-37 to the extent of Rs. 26-13-0 till 27th October 1937, no steps were taken either to recover the amount by issuing a notice of demand and warrant or to issue a special notice under section 28 (c) of the Act.

(i) *Satara City*.—(i) Assessments were considerably reduced by the Standing Committee even in cases in which the rental values fixed by the Chief Officer after due enquiries were accepted by the owners.

(ii) On the basis of an estimate prepared by the Chief Officer, the Municipality took up the execution of a trunk line in connection with its water supply scheme, though the work was not included in the items sanctioned by the Public Health Engineer. The work was subsequently stopped; but the expenditure of Rs. 600 already incurred on labour was a waste as in the scheme subsequently approved by the Consulting Public Health Engineer, the line selected by the Municipality had to be realigned. The Board has been asked to justify the expenditure or to recover the loss from the persons responsible therefor.

(iii) The Public Works accounts were not properly maintained. Works Register and Stock Register were not kept, allocation of work turned out was not given on the musters, accuracy of measurements was not checked in place, a schedule of rates was

not prepared and completion certificates though required to be furnished under the Municipal Rules were never issued. The stores accounts of all the departments were in a very unsatisfactory state despite suggestions for improvement made in previous audits.

(C) SOUTHERN DIVISION.

(a) *Belgaum*.—The Municipality required a certain piece of land for road widening. The owner of the plot had duly apprised the Municipality that the papers were before the Collector for confirmation of its sale to a third party for Rs. 605 in satisfaction of a civil decree and suggested to the Municipality to bid for it in the auction, if it wanted the plot; but no action was taken for over a month and 17 days after the sale was confirmed, that very piece of land was purchased for Rs. 1,400.

(b) *Bijapur*.—(i) While on the one hand the question of imposing a 5 per cent. cut in pay was under consideration in view of the gravity of the financial position, advance increments were allowed in several cases most of which appeared to be indiscriminate, no valid reasons for the special treatment having been recorded in any case. A tendency was also noticed to increase the scales of pay notwithstanding the advice of the Chief Officer and to create temporary appointments.

(ii) For the renewal of the Rising Main for which a loan of Rs. 2,00,000 was sanctioned by Government, extra payments of Rs. 13,470 not provided in the estimate were made to the contractor without the Board's sanction for excavation in rock and Rs. 1,386 for the purchase of extra lead for joints. Rs. 355 were also paid as incidental charges. The unauthorised amounts included in these items have been brought to the notice of the Board.

(iii) The assessment on new or improved houses constructed since 1933-34 was not made till June 1936. The new houses were assessed with retrospective effect from the date of completion, but houses which were improved were assessed only from 1936-37. This resulted in considerable loss to the Municipality. Even after the general revision was made, certain houses which were built some 3 or 4 years ago were not assessed to house tax, though special water tax was duly assessed on those very houses.

(c) *Hubli*.—(i) A scrutiny of the assessment list disclosed that the taxes of several houses were reduced, by over 50 per cent. A building assessed on an annual rental value of Rs. 100 in 1935-36 was assessed for Rs. 10 in 1936-37 and in the case of two other buildings the rental value was reduced from Rs. 400 and Rs. 300 to Rs. 300 and Rs. 150 respectively without assigning reasons.

(ii) Out of 15 posts considered as superfluous by the Collector, five were reduced and a sub-committee was appointed to look into the question of general retrenchment. The sub-committee instead of suggesting any retrenchment recommended revival of two of the posts already abolished.

(iii) Several plots which had been leased in previous years and the leases of which had expired long since were not taken into possession by the Municipality and the lessees continued without paying any ground rent. The Municipality had issued legal notices to the lessees as far back as August 1934; but no further action was taken since then.

(4) *Losses by fraud or negligence.*

(A) NORTHERN DIVISION.

(a) *Bandra.*—The Board appointed committees in 1935 and 1936 to conduct tournaments in the Municipal area. On each occasion, tickets of the total aggregate face value of Rs. 3,562-8-0 were printed to serve as admission tickets, but no account of receipts and payments was maintained nor of the unused tickets. Vouchers in support of payments made were not available. The balances of Rs. 430-3-6 in 1935 and Rs. 154-0-6 in 1936 shown in the statements of accounts for the two years was not accounted for at all. These two amounts and also the unused tickets were stated to be with the Chairman since dead. Recovery of the balance of Rs. 584-4-0 from the heirs of the Chairman has been promised.

(b) *Broach.*—(i) Delay in taking action for the recovery of amounts due on decrees obtained against the tenants of the Market stalls resulted in 14 decrees for Rs. 1,317 (out of 17 for Rs. 1,398) becoming time-barred and this amount was lost to the Board through the gross negligence of the office or the pleader or both. The Board has been advised to fix the responsibility for the loss and recover the amount from the person or persons responsible for failure to take timely action for the execution of the decrees.

(ii) Manure from 36 trenches belonging to the Municipality was stolen and though the Health Officer's enquiry clearly showed that the clerk at the depot was involved in this theft, no action was taken against him. Departmental action against the clerk concerned has been suggested to the Board.

(c) *Nadiad.*—(i) Taxes aggregating Rs. 622-3-6 were misappropriated by a tax collection clerk who, on being detected, paid up the amount. Subsequent enquiries showed a further misappropriation of Rs. 705. The clerk concerned was convicted and sentenced to 2 years' rigorous imprisonment.

(ii) Despite attention being drawn in audit notes to the necessity of obtaining a declaration under section 135(1) of the Indian Railways Act to validate the levy of general sanitary cess on buildings owned by the B. B. & C. I. Railway Co. no steps were taken in this direction, with the result that a sum of Rs. 152 recovered for the years 1933-34 and 1934-35 had to be refunded and another sum of Rs. 228 for the subsequent years had to be written off.

(d) *Surat.*—(i) The Market Superintendent was found to have been receiving for a number of years illegal gratifications amounting to about Rs. 1,500 per year from stall-keepers by adopting various

questionable methods. Evidence against him was in the opinion of the committee, sufficient to warrant a prosecution; but no action was taken beyond dismissing him from service.

(ii) Two Inspectors appointed to prevent leakage were dismissed from service and a water works overseer resigned his job as they were found to have resorted to malpractices which resulted in a leakage of revenue to the extent of Rs. 1,600 from water rate to the Municipality. Despite suggestions from the President to take legal action against the persons concerned no action was taken by the Committee.

(iii) An Octroi Nakerdar was dismissed from Municipal service for obtaining illegal gratification and for allowing dutiable articles to enter the city on payment of smaller duty. In another case dutiable goods were allowed to be smuggled into the city without payment of any duty.

It is evident that malpractices are rampant among the staff of this Municipality mainly on account of slackness on the part of the authorities to take deterrent action by prosecuting the offenders.

(iv) A sum of Rs. 805-7-0 was alleged to have been handed over to a Muccadam for payment of railway freight without obtaining his acknowledgment for the same and it was misappropriated by him. Before the misappropriation was noticed the Muccadam concerned died. He has neither left any property nor furnished any security. An enquiry to ascertain the responsibility of the officers concerned in this matter has been suggested.

(v) A revenue Talati of the Collector's Office who used to collect Government and Municipal dues arising out of sales and leases of lands in the city misappropriated about Rs. 15,000 of the revenue due to the Municipality. The Talati concerned was prosecuted by the Revenue Department in respect of Government moneys; but so far, the Municipality has refrained from taking action for the recovery of its dues.

(vi) A warrant for recovering a tax of Rs. 124-11-0 due for the years 1920-21 and 1921-22 was issued in 1929 and executed in 1935—i.e. 14 years after the tax became due! The party concerned successfully challenged the action of the Municipality in the Court with the result that in addition to the loss of the amount due, the Board had also to bear costs of the suit amounting to Rs. 72.

In another case of water charges amounting to Rs. 38 due for the years 1924-25 and 1927-28, the bill of demand, presented in the year 1935 was held illegal as "it was not issued with the least practicable delay" as required by section 104 of the Act. The Municipality was also further saddled with the costs of the suit which amounted to Rs. 72.

(vii) A comparison of the Survey (Pahani) Register with the Demand Register disclosed that though water connections existed in a number of tenements, water rate was not charged. A considerable amount of tax from this source was thus lost to the

Municipality mainly due to lack of supervision over the work of the staff of the water works department. About a hundred instances of such omissions were pointed out during audit.

(B) CENTRAL DIVISION.

(a) *Nasik*.—(i) Due to laxity in supervision over the work of collection of market rents the Market Inspector misappropriated several amounts during the year 1935-36. The Inspector was prosecuted and convicted, but no disciplinary action was taken against those who were indirectly responsible for these defalcations. When I inspected the office in February 1938, I found that the Demand and Collection Register of rents for 1935-36 was incomplete and registers for 1936-37 were not written up at all. The Register for 1937-38 was yet to be opened. The Board has been advised to set right the defects noticed in these accounts and to arrange for a closer supervision over the collection of these dues.

(ii) Out of the total outstandings of Rs. 684-15-6 on account of Mutton Market rents, a sum of Rs. 668-7-6 pertaining to the years 1933-34 to 1935-36 could not be recovered as it was alleged by the tenants in arrears that the Collection Clerk had recovered amounts due from them by issuing hand receipts and had misappropriated them. The services of the Clerk concerned were dispensed with and civil suits were filed to recover the dues. The result of the suits is awaited.

(b) *Poona City*.—(i) An expenditure of Rs. 607-3-0 was incurred in paying penal interest to Government for delay in paying the Municipality's share of the capital cost of the Infectious Diseases Hospital buildings.

(ii) Though the increase in the rate of octroi duty leviable on sand was sanctioned by Government in Government Resolution, General Department, No. S. 91 (64), dated 5th April 1933, effect thereto was not given till April 1937. The Board has been advised to enquire into the matter and decide why the resultant loss should not be recovered from persons through whose negligence the increased rate remained inoperative for four years.

(iii) A test check of the Wheel Tax Demand Register with the list prepared by an Inspector specially appointed for the purpose and also with the declarations furnished by the owners disclosed that in some cases no demand was made in respect of vehicles listed by the Inspector, while in others, conveyances were not taxed from the dates specified by the owners in their declarations. Similarly a comparison of the demands for drainage tax with the register of drainage connections maintained by the Health Department showed that in several cases drainage connections given some years back, were not assessed to tax at all. The necessity for a thorough scrutiny of the Wheel Tax Demand Register with the census list and declarations and those for drainage tax and special sanitary cess with the register of drainage connections has been pointed out to the Board.

(c) *Sholapur*.—(i) A Collection Inspector who had recovered a sum of Rs. 37 from a rate-payer credited only six annas to the Municipality and misappropriated the balance by issuing a receipt in proper form for the full amount to the payer and preparing the duplicate receipt for annas six only in the name of a different rate-payer. The fraud was discovered when another Collection Inspector on demanding the tax from the rate-payer was shown the original receipt for Rs. 37. The amount misappropriated was recovered from the Inspector. He was prosecuted and convicted.

(ii) A similar fraud was committed by another Collection Inspector who received Rs. 33-8-0 from a rate-payer by passing a receipt for the full amount but made false entries in the Municipal books. He too, was made to pay up the amount misappropriated, was prosecuted and punished by the Court.

(iii) A third fraud was committed by yet another Collection Inspector. He collected a sum of Rs. 467 on 20th February 1937 but instead of crediting the amount on the same day, handed over a sealed purse to the Office Superintendent for being kept in the Cash Box till the next working day, and absconded. When the purse was opened, it was found to contain Rs. 24 only. The culprit was subsequently traced, prosecuted and punished by the Court. The amount of Rs. 443 misappropriated by the Collection Inspector and directed by the Court to be paid to the Municipality out of the fine was not recovered till the date of completion of audit (9th December 1937). To prevent the recurrence of such malpractices, necessity of frequent administrative enquiries into the arrears has been suggested to the Municipality. It is gratifying to note that the Municipality has since revised its policy in the matter of appointments of its collection clerks; in future only permanent men are to be employed and they are to furnish cash security.

CHAPTER II.

District Municipalities and Notified Area Committees.

(a) *General.*

There were 118 District Municipalities and Notified Area Committees. The accounts of 87 of these were audited during the year. The accounts of 49 District Municipalities and Notified Area Committees were inspected by the Examiner or Assistant Examiner. Total recoveries ordered amounted to Rs. 11,264 including cash recoveries of Rs. 397 effected during the course of audit.

(b) *Accounts Irregularities.*

(1) *Unsound financial position.*—The finances of most of the Municipalities were weak. A few instances are given below. Reluctance to collect arrears and levy additional taxes to meet local needs are the main causes contributing to the unsatisfactory position.

(A) NORTHERN DIVISION.

(a) *Bhiwandi*.—For want of funds, the pay of the staff was not disbursed regularly and other bills were allowed to accumulate, and at the close of the year demands to the extent of Rs. 7,138 remained to be liquidated.

(b) *Chembur (Notified Area Committee)*.—Against an income of Rs. 9,168 the normal expenditure amounted to Rs. 9,184. The Committee has introduced street lighting by electricity, the expenditure on account of which for 10 months only during 1936-37 amounted to Rs. 3,600 against the former lighting expenditure of Rs. 905 in 1935-36.

(c) *Kalyan*.—Against cash assets amounting to Rs. 7,860 on 31st March 1937, the liability was Rs. 19,080 and for the average monthly expenditure being about Rs. 10,230 there was not sufficient cash balance to meet liabilities in the lean months. Consequently the pay of the staff and payments of other claims had frequently to be withheld and the Board in some months of the year was not able to perform even its obligatory duties.

(d) *Kapadwanj*.—The total liabilities on 31st March 1937 amounted to Rs. 54,898 against the assets of Rs. 39,566 only. The Municipality was not able to set aside the yearly sum of Rs. 12,497 towards its water works and drainage depreciation fund as required by Government Resolution, General Department, No. 242, dated 22nd October 1936.

(e) *Rander*.—Against liabilities aggregating Rs. 20,000 the assets of the Municipality on 31st March 1937 were only Rs. 12,000. The Municipality had also a liability of over Rs. 29,000 to pay for asphaltting its roads at the beginning of the following year.

(B) CENTRAL DIVISION.

(a) *Ashta*.—The budgets of this Municipality for 1936-37 and 1937-38 were not passed till June 1937. The precarious financial position of the Board was brought to the notice of Government through successive Audit and Inspection Notes and for this and for gross maladministration—mainly due to party factions, disregard of public interests, flouting of suggestions for improvements, serious irregularities in the preparation of the assessment list and accumulation of heavy arrears of taxes—the Municipality was superseded on 31st March 1938.

(b) *Betawad*.—The income of the Municipality was barely sufficient to meet its ordinary expenditure. Liabilities of the Board amounted to Rs. 7,670 on 31st March 1937; but out of the total assets amounting to Rs. 8,945 on this date, arrears of taxes and other dues to the extent of Rs. 4,018 were doubtful.

(c) *Islampur*.—The average normal income was not sufficient to meet the normal expenditure and except for a small cash balance of Rs. 3,782 on 31st March 1938 (against which the Municipality owed Rs. 10,150 to its Toll Fund) there was no other reserve balance to fall back upon in case of emergency.

(d) *Jejuri*.—The assets on 31st March 1937 were short of liabilities by Rs. 4,826, while those on 28th February 1938 were short by Rs. 5,568. The average surplus of receipts over expenditure was only Rs. 939 against which the Municipality has to meet recurring liability to the extent of Rs. 3,600 per annum representing working expenses, maintenance charges and sinking fund for the water supply works now under construction. The present capital investment of Rs. 30,000 on this water supply scheme is almost wholly unproductive as by the terms of agreement with the Indore State, the Darbar has reserved the right to claim reasonable royalty in case the Municipality introduced water tax.

(e) *Mhaswad*.—A sum of Rs. 4,973 pertaining to the toll fund was appropriated for general purposes, while obligatory contribution for primary education remained unpaid to the District Local Board.

(f) *Rahimatpur*.—Against the total assets of Rs. 5,106 on 31st March 1937 there were obligatory liabilities of Rs. 10,285 and the average annual surplus of the last three years worked up to Rs. 192 only.

(g) *Sindkheda*.—Against the total assets of Rs. 8,010 which included arrears of taxes and other dues amounting to Rs. 5,170, the entire realisation of which was very doubtful, the liabilities of the Municipality amounted to Rs. 8,260 on 31st March 1937. The Municipality had not paid for years its share of contribution for primary education to the District School Board and was not able to pay its staff for months together due to its weak position.

(h) *Sinnar*.—Against the average annual income of Rs. 24,522 the average annual expenditure was Rs. 26,019.

(i) *Taloda*.—The liabilities on 31st March 1938 amounted to Rs. 15,489 against the assets of Rs. 6,925 only, excluding a doubtful sum of Rs. 3,016 due from the District Local Board which was under dispute. The quadrennial revision of taxes for 1937-38 resulted in the fall of income by about Rs. 912, while on the other-hand the Municipality has undertaken to open an English teaching school, the annual deficit on account of which is estimated to be about Rs. 500.

(j) *Trimbak*.—Against liabilities amounting to Rs. 58,974 on 31st March 1937 the assets were Rs. 22,258 only. The Municipality was unable to meet its expenditure, from the ordinary income and has appropriated toll and pilgrim funds for general purposes. The annual contributions to the water supply depreciation fund and towards payment of Sinhas police charges have also remained unpaid. The gravity of the situation has already been brought to the notice of Government.

(C) SOUTHERN DIVISION.

(a) *Athni*.—The financial position of the Municipality was very unsatisfactory. Its liabilities on 31st March 1937 amounted to

Rs. 16,793 against fluid assets of Rs. 7,611 including the doubtful item of Rs. 4,824 on account of arrears of taxes and other dues outstanding for a number of years. For want of funds the Municipality was not able to pay its staff regularly and there was, besides, an accumulated liability of Rs. 9,969 representing arrears of the statutory contribution on account of primary education to the District School Board, Belgaum. Notwithstanding its bad finances, shrinkage in revenue and growing liabilities, no efforts were ever made to curtail expenditure which exceeded budget allotments under several heads. The Board has been advised to adopt certain measures with a view to improve its finances and to explore possibilities for reduction in expenditure on certain items. A report on the financial position has also been made to Government who have given time to the Municipality to effect improvement in its finances and general administration.

(b) *Bagalkot*.—Against a cash balance of Rs. 2,712 only on 31st March 1937, the liabilities on account of outstanding bills and deposits amounted to Rs. 4,735. The cash balance of the Municipality was so low at times that the pay of the staff had to be regularly held over for some months for want of funds.

(c) *Bhatkal*.—Against the average annual surplus of Rs. 608 the Board's liabilities on 31st March 1937 exceeded its assets by over Rs. 2,000, even after allowing for the complete recovery of arrears of taxes amounting to Rs. 2,375 which is doubtful.

(d) *Panvel*.—There was an average deficit of Rs. 1,643 and the cash balance which was Rs. 8,898 in 1934 had dwindled to Rs. 1,794 on 31st March 1937. For want of funds, no instalment was paid towards the water works reserve fund and expenditure in excess of the income continued to be incurred by appropriating for general purposes part of the balance of wheel tax and toll fund earmarked for road repairs.

(2) Breaches of Acts, Rules and Standing Orders of Government.

I.—The quadrennial revision of the assessment list due under Section 67 (1) of the District Municipal Act was not carried out in the following cases:—

Division.	Name of Municipality.	Remarks.
Northern	... Bhiwandi	... Revision due in 1936-37, was not undertaken at all.
Do.	... Dhandhuka	... Assessment list was not revised for the last 8 years.
Do.	... Kaira	.. The general revision of assessment list undertaken by the Managing Committee under repeated pressure from audit was set aside by the Board except in the case of buildings newly built or improved upon.

Division.	Name of Municipality.	Remarks.
Northern	Rampur	Revision due in the year 1937-38 was not undertaken at all.
Central	Botawad	Revision due in 1935-36 was carried out in 1937-38.
Do.	Islampur	Revision due in 1934-35 was not carried out and given effect to till from 1937-38. The delay resulted in an avoidable loss of Rs. 1,200 to the Municipality.
Do.	Karmala	Revision due in 1931-32 was actually carried out in 1937-38.
Do.	Mhaswad	Revision due in 1935-36 was not carried out and given effect to till 1937-38.
Southern	Athni	Revision due in 1935-36 was actually carried out in 1936-37.
Do.	Honavar	Revision due in 1936-37 was not undertaken till in 1938-39.
Do.	Karwar	Revision due in 1935-36 was actually carried out in 1936-37.

The responsibility of the members for the resultant loss has been impressed upon the Municipalities concerned in paragraphs 4 and 6 of G.R.s, G.D., No. P. 42(2), dated 1st July 1931 and 13th September 1937 respectively.

II. Requirements of sections 64, 65 and 67 (2) of the District Municipal Act in connection with the preparation and completion of the assessment list were not strictly complied with by the following Municipalities :—

Division.	Name of Municipality.	Remarks.
Northern	Virangam	The assessment lists for property tax and General Sanitary Cess were not finally completed till September 1936 and they were not authenticated at all as required by Section 65 (4) of the Act.
Central	Baramati	The assessment list was not authenticated till November 1936.
Do.	Jejuri	The assessment list was not published and objections to the assessment were not invited.
Do.	Manmad	The assessment lists for 1935-36 and 1936-37 were not duly completed till December 1936 and March 1937 respectively.

Division.	Name of Municipality.	Remarks.
Central	Sinnar	The procedure adopted for the preparation and completion of the assessment list was not in accordance with the provisions of Sections 64, 65 and 66 of the Act.
Do.	Trimbak	The assessment list was not completed during the year.
Southern	Athni	The assessment list was not duly completed till November 1936.
Do.	Bailhongal	The assessment list was not duly completed till November 1936.
Do.	Gokak	The assessment list for 1936-37 was published as late as in October 1936 and objections were receivable till 1st December 1936. The list was neither certified nor authenticated as required by Section 65 (4).
Do.	Karwar	The assessment list was not authenticated till the middle of the year.
Do.	Malwan	The assessment list was not finally completed till October 1936.
Do.	Vengurla	The assessment list was not finally completed till September 1936.

III. Sanction of the Commissioner required under section 46 (b) (ii) of the District Municipal Act for the entertainment of additional staff or revision of existing scales of pay was not obtained by the following Municipalities :—

(A) *Northern Division.*

Modasa.
Prantij.
Virangam.

(B) *Central Division.*

Baramati.
Jejuri.
Manmad.
Nandgaon.
Sangamner.
Sindkheda.
Shirpur.
Talegaon Dabhade.

(C) *Southern Division.*

Alibag.

Athni.

Ilkal.

Vengurla.

(A) *NORTHERN DIVISION.*

(a) *Bassein*.—Slaughter fees leviable according to the Market and Slaughter House Bye-laws were not recovered and revenue of about Rs. 500 was lost to the Board.

(b) *Godhra*.—A sum of Rs. 118 was spent for constructing a bund outside the Municipal limits without obtaining the sanction of the Commissioner, Northern Division, as required under section 52(a) (ii) of the District Municipal Act.

(c) *Kapadwanj*.—The orders contained in G.R., G.D., No. 1001, dated 1st December 1927, requiring the accounts of water works and drainage schemes to be maintained according to forms prescribed therein were disregarded, although the omission was repeatedly pointed out in the past.

(d) *Rander*.—In contravention of the provisions of section 40(4) of the District Municipal Act, the Municipality delegated to a sub-committee its power of entering into contract in connection with the asphaltting of roads, the cost of which amounted to Rs. 29,296. Even tenders were not called for.

(B) *CENTRAL DIVISION.*

(a) *Baramati*.—(i) Though the Municipality has been repeatedly advised to stop the irregular practice, refunds of octroi were allowed without framing requisite by-laws with the sanction of the Commissioner. The amount thus refunded in 1936-37 was Rs. 7,680.

(ii) The levy of wheel tax on motor cars was discontinued from 1st April 1936 without obtaining the sanction of the Commissioner, Central Division, as required under Section 47 of the District Municipal Act. There was no formal resolution of the Board for the discontinuance of this tax.

(b) *Betawad*.—No expenditure was incurred by the Municipality on medical relief during the year under report. Attention of the Board has been invited to the orders contained in G.R., G.D., No. 3334, dated 22nd September 1931.

(c) *Jejuri*.—(i) Despite the suggestion made in 1932 by the Collector that the Board should frame a rule regularising exemptions from general sanitary cess granted to Ramoshis and get it sanctioned

by the Commissioner such exemptions were continued without framing the requisite rule. The loss arising out of such unauthorised exemptions has been ordered to be recovered from the parties responsible for it.

(iv) Without obtaining the sanction of the Commissioner, Central Division, the Pilgrim Fund was charged with various items of expenditure and the accumulated balance of Rs. 14,657 was appropriated towards the water works scheme.

(d) *Karmala*.—Levy of Wheel Tax was discontinued from the second half of the year 1936-37 without obtaining the sanction of the Commissioner to the recession of the existing rules. Recovery of the amounts due from the persons responsible for unauthorised stoppage of this levy has been suggested.

(e) *Manmad*.—In contravention of the mandatory provisions of Section 65 (2) of the Act, objections to the valuations and assesment made after the time fixed in the notice given under Section 65(2) were entertained and reductions of taxes to the extent of Rs. 462-12-0 allowed. Further, reductions to the extent of Rs. 243 were unauthorisedly made by the Secretary who has since resigned.

(f) *Shahada*.—The illegal action of the Municipality in suspending the levy of General Sanitary Cess without obtaining the previous sanction of the Commissioner as required under Section 47 of the Act resulted in a loss of Rs. 1,230-8-0 of legitimate dues.

(g) *Sindkheda*.—In contravention of the provisions of Sections 61 and 48 of the District Municipal Act, Special Sanitary Cess and Slaughtering fees were levied by the Municipality without obtaining the previous sanction of the Commissioner.

(h) *Sinnar*.—(i) A Councillor of the Municipality having been illegally removed from the Chairmanship of the Managing Committee, filed a suit which was decided against the Municipality. The cost of defending this suit amounting to Rs. 30-4-0 has been ordered for recovery from the persons responsible for the illegal removal.

(ii) Contrary to the provisions of the Municipal Rules, exemptions from the payment of all indirect and direct taxes except the Special Sanitary Cess was granted to the Sinnar Electric Company, Ltd. Similar exemption from the payment of ground rent for the street land occupied for erecting lamp-posts was also granted; but the sanction of the Commissioner required under section 40 (2) of the Act for leasing portions of street land for thirty years was not obtained. As the Municipality persisted in granting these exemptions despite warnings that they contravened the provisions of the Act and the Rules, recovery of the recurring loss of revenue from the persons responsible for granting these unauthorised exemptions has been suggested.

(i) *Yawal*.—(i) Annual tax of annas 5 leviable on every pit privy under the revised Special Sanitary Cess Rules sanctioned by the Commissioner in April 1930, was actually levied only from 1st April 1936. Non-enforcement of collection of this legally leviable tax resulted in a loss of nearly Rs. 490 to the Board.

(ii) Rates of slaughtering fees, sanctioned by the Commissioner, were reduced by the Board without observing the preliminary procedure prescribed in section 48 (2) and without obtaining his sanction under section 48 (1). The Commissioner has refused to sanction the reduced rates and the Board has been asked to explain why the loss arising out of these unauthorised reductions should not be recovered from the members who voted for the resolution.

(C) SOUTHERN DIVISION.

(a) *Athni*.—The Slaughter fees prescribed under the rules were not recovered.

(b) *Bail-hongal*.—Wheel Tax leviable on private motor cars kept and used within Municipal limits was not demanded and recovered under the mistaken belief that such cars were exempt from the payment of Wheel Tax under the Bombay Motor Vehicles Act. Similarly, Cycle Tax was not levied and license fees recoverable under the rules from the owners of private mutton and meat shops were not recovered.

(c) *Gokak*.—The rates of toll on carts and animals entering Municipal limits were revised and doubled from December 1931. The revised rates were not however given effect to till the omission was pointed out in audit in March 1937.

(d) *Honavar*.—Without ascertaining by advertisement whether a trained Sanitary Inspector was available or not, the Municipality enrolled an unqualified candidate for the post and granted him an advance of Rs. 200 to enable him to undergo training at Bombay. Sanction to this grant of advance was subsequently refused by the Commissioner and the advance, which, according to the conditions attached to its payment, was refundable with interest at 6 per cent. was not recovered from the candidate. He failed to pass the examination and was discharged from service on 31st March 1938. The payment which was contrary to law has been ordered for recovery.

(e) *Uran*.—The rate of Wheel Tax sanctioned by the Commissioner, Southern Division, in 1920 was superseded by the revised rates sanctioned by him in 1934. This rate was further revised with the sanction of the Commissioner in July 1936 but the recoveries of Wheel Tax for the period from 1st April 1935 to 31st July 1937 were made at the old rate sanctioned in 1920, which was lower than the rate sanctioned in 1934. As the Wheel Tax due at the latter rate was already deposited by the owners with the Municipality, and the levy at the former (i.e. lower) rate was unauthorised, the refund of deposits was not justified. Recovery of

the refund of Rs. 106 from the owners concerned or failing that from the persons responsible for the unauthorised refund has been suggested.

(3) *Unsound Administration.*

(A) NORTHERN DIVISION.

(a) *Bhiwandi*.—(i) There were heavy arrears of taxes amounting to no less than 58 per cent. of the total demand and out of the total arrears of Rs. 27,016 on 31st March 1937 only a sum of Rs. 3,772 was recovered during the first six months of the succeeding year. Warrants were seldom issued and rarely executed and though seven Municipal Councillors were in arrears at the close of the year and three even at the end of September 1937, notices of demand under section 15 (2) (f) of the Act were not issued against any of them.

(ii) A provision of Rs. 10,000 was made in the budget for construction of an office building without any estimates or other data and in contravention of the provisions of sections 40 (4) (b) and Rule 46 (c) of Municipal Rules, a sub-committee was authorised by the Board to sanction plans, estimates, contracts and generally manage everything connected with this work. The sub-committee on its own authority entered into contract for Rs. 11,380 and even after repeated suggestions in Inspection and Audit Notes, the sanction of the Board was not obtained to plans, estimates and the contract.

The work which was executed up to the plinth level was stopped by the contractor on receipt of a notice from the Vice-President about the illegality of the procedure adopted by the Board and a sum of Rs. 1,200 paid to the contractor as advance payment remained unadjusted.

(iii) Without considering the necessity and utility of a one-ton road roller worked on petrol and without consulting an Engineer or other technical expert, the members of the sub-committee and the President travelled to Bombay and purchased one at a total cost of Rs. 2,291-2-0. When the roller was actually brought and used on the roads for repairs, it was found that it was unsuitable even on muram roads. The Board then resolved to exchange it for a heavier one or to sell it off; but in the absence of any offer, the roller is in a garage and the sum of Rs. 2,291 already spent on it has been a waste.

(b) *Godhra*.—Against the annual demand of Rs. 45,125 on account of house-tax, arrears at the close of the year aggregating Rs. 11,891 worked up to 26 per cent. and in several cases the arrears had accumulated since the year 1925-26. Despite this, coercive measures provided in the Act were not resorted to. Only two warrants were actually executed by distraining the property of the defaulters, while as many as 1,084 warrants remained unexecuted.

(c) *Rander*.—(i) The arrears of taxes on 31st March 1937 amounted to over 33 per cent. of the total demand. Heavy arrears of land rent were remitted in the past only to allow them to accumulate against the very persons who had defaulted in the past.

(ii) When budget grants under certain heads were exceeded, the expenditure was debited to other heads under the orders of the Managing Committee.

(d) *Umreth*.—Though the illegality of the expenditure was brought to its notice, the Municipality continued to incur expenditure on sixty-one lamps in private streets. The matter has been brought to the notice of the Commissioner for suitable action.

(B) CENTRAL DIVISION.

(a) *Ashta*.—(i) Till the Municipality was superseded on 31st March 1938, there was no valid and authenticated assessment list for the years 1936-37 and 1937-38 on the basis of which house-tax could be recovered. In view of indiscriminate alterations in valuations without any apparent reason, arbitrary changes in the names of house-owners, assessment of vacant plots, splitting up of several plots and several other manipulations made in the assessment list with the object of securing party advantage during the elections, the necessity for revising the assessment list again after full inquiries has been suggested to the Administrator.

(ii) The Chairman of the Managing Committee deliberately shirked the responsibility of signing the Day Book though the omission was repeatedly pointed out in audit.

(b) *Betawad*.—Though the arrears of taxes on 31st March 1937 amounted to more than 42 per cent. of the total demand, only 80 notices were issued, not a single warrant was executed and special notices under section 15 (2) (f) were not issued against 5 Councilors who had not paid up the Municipal dues till the close of audit (i.e. 3rd June 1937).

(c) *Faizpur*.—(i) In the absence of arrangements to supervise the collections of octroi, the levy of which commenced on 15th January 1937, the Naka clerks committed all sorts of irregularities and even embezzlements from the outset. The Municipality, though aware of the frauds that were going on, failed to investigate them, but accepted the resignations of two clerks who were caught in the act of defrauding the Board.

(ii) Though the arrears of taxes were on the increase and amounted to 47 per cent. of the total demand only 54 notices were issued and not a single warrant was executed.

(d) *Jejuri*.—(i) In April 1929 the Commissioner advised the Municipality to notify the revised rate of general sanitary cess for public objections. Though the Collector was informed after one year that the requisite notice was issued, no action appeared to have been taken in this matter till November 1935 when fresh

proposals were submitted to the Collector. These proposals, returned by the Collector in January 1936 with certain remarks were not resubmitted to him ; but fresh proposals were submitted in April 1937. The remarks of the Collector on these proposals were not attended to and yet other proposals were submitted in February 1938. Similar dilatory methods were adopted in connection with the revision of the special sanitary cess schedule, notwithstanding the fact that the Municipality was aware as far back as from 1930 that the service would not be self-supporting unless recovery at the revised rates was effected. Inordinate delays in the disposal of important taxation proposals affected Municipal revenue to a great extent.

(ii) The progress of recovery of taxes and other dues was very slack. The percentages of arrears of taxes and rents of shops and lands to the total demands had risen from 52 and 72 per cent. on 31st March 1937 to 69 and 82 per cent. respectively on 28th February 1938. Issue of bills of demand for 1936-37 was not completed till the middle of February 1937. Only 55 notices were issued while not a single warrant was issued against owners residing in the town. Arrears of rent had also accumulated since 1932-33. The Municipality has been advised to take immediate steps to improve this unsatisfactory position.

(iii) The records of the Municipality, particularly those required for elucidation of accounts, were in very chaotic condition. Lack of proper distribution of office work and proper supervision and control over the staff were prominent and the office administration was wholly unsound. The necessity for improving this state of affairs in the Board's office has been suggested.

(e) *Karmala*.—The quadrennial revision of the assessment list for house tax which was due in 1931-32 was not carried out till 1937-38. Detailed statements of revisions resulting in a net increase of Rs. 391-4-0 in the assessment submitted on 12th January 1936 by the Sub-Committee specially appointed for the purpose were accepted by the Board on the next day and objections under section 65 of the Act were also invited. Subsequently, however, the Board, on 17th February 1936, i.e. just a week before the date of general election decided to postpone the revision till the next year and passed another statement of increases and decreases prepared by the Chief Officer two days before the date of decision above referred to. The Commissioner has been requested to decide whether the members of the Board responsible for ignoring the proposals of the Sub-Committee should not be required to make good the resultant loss of Rs. 312 to the Municipal fund and also to enquire whether the general election of the Municipality held on 26th February 1936 had anything to do with the rejection of revision proposals.

(f) *Manmad*.—Disregarding the convention in connection with taking part in matters in which the members are personally interested, a Councillor voted in favour of reducing the assessment on his own house.

(g) *Nandgaon*.—The prosecution of the Chairman, Sanitary Committee, and six others for the theft of 1,000 carts of refuse and 40 carts of night soil resulted in their conviction and the Chairman was fined Rs. 200. Another criminal case has been filed against him on a similar count.

(h) *Rahimatpur*.—The state of octroi accounts was far from satisfactory. The requirements of octroi rules were not followed despite repeated suggestions in audit with the result that there were not only cases of evasion of tax but also of suspected fraud and fabrication of accounts.

(i) *Shahada*.—(i) Though the buildings of certain factories registered in 1934-35 under the Factories Act, were constructed in that year, they were not assessed to house tax till the year 1937-38 despite the omission having been repeatedly pointed out in audit. This belated assessment resulted in a loss of Rs. 746-12-0 to the Municipality.

(ii) Though the arrears of taxes on 31st March 1937 amounted to 31 per cent. of the total demand, coercive measures provided by the Act were not resorted to at all and two councillors were allowed to remain in arrears without special notices under section 15 (2) (f) of the Act being issued against them.

(j) *Sanganner*.—Due to arbitrary orders of suspension and discharge of staff and illegal withholding of legitimate payments several suits were filed and decided against the Municipality with the result that the rate-payers had unnecessarily to pay heavily for the unauthorised actions of the Councillors. The Municipality was severely warned by the Commissioner against such illegal action in two cases.

(k) *Sindkheda*.—(i) The assessment lists of house-tax for the year 1935-36 and 1936-37 were finally completed on 31st March 1936 and 1937 respectively, i.e. only on the last day of the year to which they pertained.

(ii) Though 38 per cent. of the total demand on account of house-tax was in arrears on 31st March 1937 coercive measures provided by the Act were not freely resorted to and out of 16 elected councillors 13 were found to have been in arrears on 31st March 1938.

(l) *Shirpur*.—(i) Expenditure amounting to Rs. 1,107-5-6 was incurred by the Municipality in connection with a criminal complaint lodged against the ex-President. The latter was acquitted and the judgment of the Sub-Divisional Magistrate showed that the complaint was made purely out of factious spirit. The Municipality has been asked to explain why the amount thus spent should not be recovered from the persons responsible for lodging the complaint. In a civil suit for damages filed by the ex-President, against the Municipality, the President, Vice-President and some other Councillors, a decree for Rs. 3,300 with proportionate costs was passed against the first three defendants. Result of the appeal filed by the Municipality is awaited.

(ii) A decree for Rs. 1,102 obtained by the Municipality against the ex-Secretary, the ex-Accountant and the ex-Head Clerk for the amounts misappropriated by them could not be executed against the sureties of these persons as the security bonds taken from the first two persons were incomplete while that of the ex-Head Clerk was not traceable. The Board has been asked to explain why the decretal amount of Rs. 1,102 together with the cost of litigation, written off by it in 1937-38 should not be recovered from the persons through whose negligence the security bonds remained incomplete or lost.

(iii) Large construction works undertaken without proper enquiry regarding the ownership or suitability of the selected sites, had subsequently to be abandoned, e.g. the construction of a school building entrusted to a contractor for Rs. 10,000 without ascertaining whether the site selected belonged to the Municipality or not had to be abandoned and on the contractor filing a suit for damages, he was pacified by entrusting to him the work of constructing public latrines costing approximately Rs. 3,000. This work, for which no estimate was prepared and which was given at the flat rate of Rs. 55 per seat was also abandoned as the pieces of land selected were found insufficient for the construction of latrines. The contractor, who had brought certain materials on the site has served the Municipality with a notice to compensate him for the loss and its result is awaited. In another case, the work of constructing a wall to protect the market on the river side entrusted to a contractor for Rs. 2,036 was abandoned as the site selected was not suitable for the work and in this case also the contractor has served the Municipality with a notice of his intention to sue for breach of contract.

(iv) The accounting and record of public works expenditure was very unsatisfactory. Expenditure on works was not watched through the register of works; measurements of the work of constructing a new underground drain executed departmentally at a total cost of Rs. 3,593 were not taken at all, while those of three large works executed through the agency of contractors at a total cost of Rs. 8,262 were recorded by clerks who had no technical knowledge of the subject. Materials worth thousands of rupees were purchased and paid for without measurement by any responsible officer or maintaining a stock account of them. Work turned out by labour was not allocated in terms of the estimates and no check was ever exercised to see that it was commensurate with the amount spent.

(v) Preparation of assessment list was inordinately delayed every year. Those for 1935-36 and 1936-37 were completed as late as on 14th March 1936 and 5th December 1937 respectively while that for the year 1938-39 was not ready till 12th May 1938. This and the laxity in resorting to coercive measures resulted in 39 per cent. of the total demand remaining unrecovered at the close of 1936-37. Not only ordinary notices were not issued to Councillors in arrears but special notices under section 15 (2) (f) were not issued against

them though the outstandings due from one of them amounted to Rs. 771-8-0.

(m) *Trimbak*.—Purchases of Municipal requirements were made from the shop of a Municipal Councillor and bills made in the name of his "Gumasta" (servant).

(n) *Urun-Islampur*.—The public works expenditure continued to be incurred as unsystematically as ever. Even works estimated to cost more than Rs. 5,000 were put through without proper estimates and in other cases the estimates were prepared by the Secretary who had no technical knowledge of public works. The register of works was not maintained, measurements were not recorded in several cases, stock purchased for works was not accounted for at all, completion certificates were not furnished, labour employed was not checked by any official and work turned out was not allocated. This method of expenditure is wasteful, and the desirability of entertaining a trained overseer has been suggested to the Board.

(C) SOUTHERN DIVISION.

(a) *Athni*.—A sum of Rs. 711 was lost to the Municipality as a result of delay of one year in revising the assessment list. A surcharge of the amount on the persons responsible has been recommended.

(b) *Bhatkal*.—Though 38 per cent. of the total demand of house-tax remained uncollected at the end of the year under report not more than 14 warrants were issued and only 9 of them were actually executed. Adoption of prompt steps for the recovery of outstandings has been suggested.

(c) *Guledgad*.—A sum of Rs. 2,300 belonging to the provident Fund and invested in fixed deposit in an unrecognised bank was not recovered in spite of repeated objection in audit. Though the deposits were due for encashment on 1st October 1937, the amount was not recovered till the close of audit in January 1938.

(d) *Honavar*.—Although 50 per cent. of the total demand for all taxes remained unrecovered on 31st March 1937, not a single warrant was executed during the course of the year and special notice under section 15 (2) (f) was not issued against a Councillor who had not paid his dues till 12th April 1938.

(e) *Ilkal*.—During the year 1936-37 a sum of Rs. 6,500 was spent on the construction of compound walls round places used for latrines. The Public Health Department has however condemned the sites and declared the expenditure as a waste of rate payers' money.

(f) *Kumta*.—Drugs and surgical instruments worth Rs. 169-4-0 were purchased through a local hardware merchant who had been to Bombay for making his own purchases and the rates charged by him for these purchases which were not supported either by cash memos or bills from the suppliers were found to be exorbitant as compared with those quoted by a local chemist!

(g) *Nipani*.—(i) Though the land acquisition proceedings were still pending with the Collector, the Municipality raised a loan of Rs. 45,000 for its town extension scheme in 1935 at 5½ per cent. interest. The amount is still lying unutilised and is deposited in the Savings Bank at 1 per cent. The Board has thus during the last two years sustained a loss of Rs. 4,050 on account of interest charges on the loan raised in advance of actual requirements.

(ii) The Municipality purchased a motor lorry for Rs. 1,700, but subsequently decided to cancel the order. The vendor refused to take back the lorry and as the Municipality declined to pay the stipulated price, filed a suit for recovery of the amount. The Board defended the suit without taking any legal opinion and lost it and had to bear an additional cost of Rs. 694 on account of costs etc. The Board has been asked to fix the responsibility for this unjustifiable expenditure.

(iii) Out of Rs. 180, recoverable from a tenant on account of rent of two shops for the year 1935-36 as finally offered by him at an open auction, a sum of Rs. 135 was remitted by the Board merely on the ground that the rent realised in the previous year when no auction was held was Rs. 45 only. The Board's action frustrated the very purpose for which the public auction was held.

(h) *Panvel*.—Although there were heavy arrears of taxes amounting to 36 per cent. of the demand, resort to coercive measures provided in the Act was very slack.

(i) *Roha*.—Though arrears of taxes amounting to Rs. 3,346 represented 25 per cent. of the total demand of Rs. 12,318, notices of demand were not issued.

(j) *Sirsi*.—Rental values of houses owned by three Councillors and members of the Managing Committee, which disposed of all objections against assessment, were reduced without any valid reasons. Only one of them refrained from voting on the question of reduction of his own assessment. The action of the other two members in taking part in a matter in which they were personally interested was hardly compatible with accepted convention observed in public bodies in such cases.

(4) *Losses by fraud or negligence.*

(A) NORTHERN DIVISION.

(a) *Bhiwandi*.—Misappropriations and short credits of Terminal Tax receipts were noticed in a special audit of the Terminal Tax receipts of the Municipality undertaken at the instance of the Collector.

(b) *Mehmedabad*.—Numerous omissions in the recovery of Terminal Tax were noticed and it is believed that the clerk had misappropriated several amounts. The clerk has been suspended and the result of the investigation against him is awaited.

(c) *Rander*.—A daroga misappropriated a sum of Rs. 15. He was convicted and dismissed from Municipal service.

(B) CENTRAL DIVISION.

(a) *Jejuri*.—(i) Although the Board had, in August 1931, resolved to levy cattle-bazaar fees, serious steps were not taken to obtain the sanction of the Commissioner to this levy with the result that while all the necessary expenditure in connection with the upkeep and sanitary arrangements of the bazaar is being incurred by the Municipality, legitimate revenue from this source is lost to it.

(ii) Although the tender of the lighting contractor was sanctioned at 1 per cent. less than the rate fixed by the Board, payments were made to the contractor without any deduction. The amount overpaid has been ordered for recovery. The same contractor was given a contract for the supply of stationery and in respect of a payment of Rs. 50 neither the bill of the contractor was on record nor was there any documentary evidence to show that any stationery was received. Failing production of an account of articles received, recovery of the amount from the persons responsible for payment has been suggested.

(b) *Sinnar*.—A Collection Clerk misappropriated a sum of Rs. 468-14-3. He was prosecuted and convicted. Result of the suit for recovery of the amount misappropriated is awaited.

(C) SOUTHERN DIVISION.

(a) *Honawar*.—(i) Slack supervision over the collections of the fish market and absence of any check over the account of face value tickets used for this purpose resulted in a misappropriation of Rs. 17-13-6, representing collections made on one face value ticket book. The amount short credited has been ordered to be recovered from the person or persons responsible therefor.

(ii) Though the Municipality was aware of the risk and possibilities of misuse in allowing manuscript receipts, such receipts continued to be issued for collecting octroi on goods which entered Municipal limits by evading payments at the octroi nakas. Receipt forms meant for acknowledging applications for refunds of octroi were used for ground-rents while no receipts were issued at all for acknowledging miscellaneous recoveries.

(iii) A minor misappropriation of the balance of Rs. 1-15-0 in the postage stamp account was also noticed.

CHAPTER III.

District and Taluka Local Boards.

(a) General.

Out of 20 District Local Boards and 137 Taluka Local Boards in the Province, the accounts of 19 District Local Boards and 116 Taluka Local Boards were audited during the year. The accounts of 13 District Local Boards and 42 Taluka Local

Boards were inspected by the Examiner or Assistant Examiner. Total recoveries ordered in the case of District Local Boards amounted to Rs. 21,666, and in the case of Taluka Local Boards Rs. 3,420.

(b) *Accounts Irregularities.*

(1) *Unsound financial policy and defective budgetting.*

(A) NORTHERN DIVISION.

(a) *Nadiad Taluka Local Board.*—The closing balance on 31st March 1937 was Rs. 1,258-12-0 whereas the liabilities of the Board on account of popular contributions and deposits amounted to Rs. 2,305-11-0. Thus there was a minus balance of Rs. 1,046-15-0.

(b) *Panch Mahals District Local Board.*—Expenditure not covered by provision in the budget or in excess of the amount provided was incurred in contravention of the provisions of the Act, e.g. a sum of Rs. 14,324 was spent without any budget provision on the construction of two tanks during the period October 1936 to January 1937; but no action was taken to obtain the sanction of the Board till May 1937. Supplementary budget for the year 1936-37 was passed in the next year on 20th May 1937 and reappropriations of funds from one head to another to meet the excess expenditure already incurred were irregularly sanctioned in the next year. The Board has been advised to observe strictly the statutory requirements in respect of the budgetary procedure.

(B) CENTRAL DIVISION.

(a) *Nasik District Local Board.*—The financial position of the Board is far from satisfactory. Against the cash balance of Rs. 43,228 on 31st March 1937, liabilities on account of deposits and the unspent balances of Government grants for communications and water supply amounted to Rs. 53,448 indicating that Government grants received for specific purposes were diverted to other general purposes. Despite this embarrassing state of finances, the Board has decided to reduce the Local Fund Cess from Re. 0-1-3 to Re. 0-1-0 which is expected to reduce the annual income by nearly Rs. 30,000. On the other hand, new schemes and works involving an annual recurring expenditure of Rs. 95,000 have been undertaken. The Board has been advised to reconsider its decision regarding the reduction in the rate of Local Fund Cess and to improve the financial position.

(b) *Satara District Local Board.*—With the heavy liabilities of the School Board and the cut in the Government grant for communications the unsatisfactory financial position of the Board referred to in the last year's report, continued. The Board has been advised to effect economies in expenditure.

(C) SOUTHERN DIVISION.

(a) *Bijapur District Local Board*.—The financial position of the Board was unsatisfactory. Deducting a sum of Rs. 5,42,686 pertaining to the Primary Education Fund, the Board had a balance of only Rs. 1,35,087 on 20th November 1937 when the accounts were inspected. Against this it had to meet the following liabilities :—

- (i) a deficit of Rs. 25,000 in the budget for 1937-38 ;
- (ii) a loan of Rs. 25,000 to be repaid to Government ;
- (iii) commitment in regard to capital expenditure of Rs. 1,93,000 for the construction of new roads, of which it had to provide Rs. 1,00,000 in the budget for 1938-39 for the outlay and assume a recurring liability of about Rs. 12,000 per annum for maintenance.

(b) *Dharwar District Local Board*.—The financial position of the Board was unsound. The expenditure during the last three years exceeded the income and the total deficits for this period amounted to over a lakh of rupees. For want of funds even statutory liabilities could not be met. For example, a sum of Rs. 30,258 out of the cess due to the School Board and the Taluka Local Boards and another sum of Rs. 2,537 payable to the latter on account of cattle pound receipts, remained unpaid. As a result, in some taluka local boards, there was practically no balance for long periods. Definite measures to effect economy and raise the revenue have been suggested to the Board.

(c) *Kanara District Local Board*.—The financial position of this Board was unsound and expenditure during the year 1936-37 (Rs. 88,081) exceeded its income (Rs. 81,776). The revenue is likely to decrease further due to (i) fall in ferry receipts as more bridges are constructed and (ii) increase in the contributions payable to the Panchayats as their share of the cess collected in the areas. Definite measures to increase the Board's revenue and to curtail its expenditure have been suggested. The Board has also been advised not to utilise portion of its Forest grant, specifically given for repairs to and maintenance of roads through which the Forest produce passes for other purposes.

(d) *Kolaba District Local Board*.—The financial position of the Board was unsatisfactory. Against the average normal surplus of Rs. 11,500 per annum, the loan instalments alone excluding interest amounted to Rs. 14,500. The annual instalments of Rs. 6,463 of the Government loan not having been promptly paid by the Board, the instalments together with the penal interest thereon were deducted by Government during the last two years from the communications grants payable to the Board while overdue instalments of Rs. 8,000 per annum in respect of the non-Government loan together with interest at 2½ per cent. from 1st April 1933 could not be paid till May 1937. In order to meet these

liabilities, the payment of work bills to the extent of nearly Rs. 10,000 was withheld and the cess payable to the District School Board and the Taluka Local Boards was not paid in full. To avoid such serious financial difficulties in future, the Board has been advised to increase the existing Local Fund Cess of one anna.

(e) *Ratnagiri District Local Board*.—The financial position of the Board is very precarious and calls for serious attention. The Board has regularly been having annual deficits for the last three years, with the result that the substantial reserve balance of Rs. 65,420 on 31st March 1934 dwindled down to Rs. 28,488 on 31st March 1937. This grave position threatens further to become worse as (i) the receipts from octroi, one of the main sources of the Board's income, are gradually declining and are likely still further to decline owing to some recent adverse decisions of the Court and (ii) the annual contribution of Rs. 3,857 in lieu of the excise cess and recurring grant-in-aid of Rs. 3,750, hitherto paid by Government for the clerical establishment, will not be available to the Board in future. Some measures calculated to improve the Board's finances have been suggested for consideration.

(2) *Breaches of Acts, Rules and Standing Orders of Government.*

(B) CENTRAL DIVISION.

(a) *Nandgaon Taluka Local Board*.—In contravention of section 80 of the Local Boards Act a contribution of Rs. 100 was paid by the Board to Shri Shivaji Maratha Boarding House. Recovery of this expenditure not authorised by the Act has been called for.

(b) *Satara District Local Board*.—In defiance of Rule 7 of the Rules for the examination qualifying for the appointment of accounts clerks in District Local Boards, issued in Government Resolution, General Department, No. 3362, dated 10th July 1931, two unqualified clerks were retained in the accounts branch even after the breach of the rule was pointed out in audit.

(3) *Unsound Administration.*

(A) NORTHERN DIVISION.

(a) *Dahanu Taluka Local Board*.—In spite of the Engineer's advice that a *pucca* dam was not necessary the Board decided to erect one at Anandhani, and there was no budget provision for it. An agreement was entered into with a contractor and the work was started. The District Local Board having refused sanction to the provision for the *pucca* dam, the work had to be stopped and the contractor claimed damages. If the work had been started after the budget provision was sanctioned, the expenditure on the work and legal charges for defending the suit would have been avoided.

The expenditure (viz. Rs. 78 plus interest and legal charges) in this connection has been suggested for recovery from the persons responsible for incurring it.

(b) *North Dascroi Taluka Local Board*.—Just on the eve of its abolition and without any budget provision and without publicly inviting offers and ignoring alternative proposals before it, the Board hurriedly decided on 30th March 1938 to purchase a hotel building for Rs. 84,999 out of a trust fund for the purpose of a dharmashala and also paid a sum of Rs. 5,000 to the owner as earnest money. The owner had never stipulated this payment as a condition precedent to the sale and the amount was not claimed by him; yet it was paid to him on 31st March 1938, without the necessity for the payment having been clearly established as required by the resolution sanctioning the payment. The transaction was rushed through in a most unbusinesslike manner, apparently without mature consideration and care, with a view to present the succeeding body, the District Local Board, Ahmedabad, with a *fait accompli* and commit it to the course of action adopted by the expiring Board. In thus concluding the deal for the purchase of the particular building several material improprieties, vitally affecting the validity of the Board's resolutions in this connection and the expenditure already incurred were noticed. The resolutions in question were suspended by the Collector under section 125 (i) of the Act and this action of the Collector was subsequently confirmed by the Commissioner and also by Government in Government Resolution, General Department, No. S. 159, dated 14th May 1938. The payment of Rs. 5,000 being contrary to law has been objected to.

(c) *Panch Mahals District Local Board*.—Two sums of Rs. 3,134 and Rs. 731 representing the cost of materials were drawn on 31st March 1937 for payment to a contractor. The work was to be executed out of the Government grant for roads for the year 1936-37. But the materials for which the amounts were drawn were not actually received and false measurements were recorded on 30th March 1937 in support of the bills. These amounts remained on hand in the Petty Cash Book and are stated to have been paid in three instalments in June 1937, August 1937 and March 1938; but the acknowledgments of the contractor for these payments and the reports of the Overseer regarding measurements of materials, if subsequently supplied, were not available. Further, though the materials which were to be supplied in January 1937 according to the agreement were not brought on site till March 1938, the delay was not reported to the Board. All these irregularities were committed merely to avoid lapse of the grant and obviate the sanction of the Commissioner for utilising it the next year! A thorough enquiry into this matter has been suggested and as the whole of the expenditure was not actually incurred during 1936-37 and the approval of the Commissioner, Northern Division, was not obtained to the utilization of the amounts during 1937-38, it has been suggested to the Commissioner to take suitable action against the Board.

(B) CENTRAL DIVISION.

(a) *Ahmednagar District Local Board*.—A sum of Rs. 26,622 was outstanding at the close of the year under report on account of arrears of toll dues, some of which pertained to the years 1923-24 and 1926-27. Although the defaulting contractors had furnished solvency certificates from revenue authorities and possessed immoveable properties, processes for the execution of the decrees were not promptly followed up by action for the attachment of their immoveable properties, with the result that either the contractors alienated their properties and filed insolvency petitions or removed themselves outside the jurisdiction of the Court. The Board has been asked to fix responsibility for flagrant delays in taking action for the recovery of its dues.

(b) *East Khandesh District Local Board*.—(i) Though according to the terms of the agreement the contractors for the construction of school buildings were bound to use materials according to the specifications, additional payments of Rs. 345, Rs. 276 and Rs. 138 were made to three contractors for extra lead and cartage of "good" materials that had to be brought from a distance. The Board has been asked to explain why Rs. 759 paid in excess for work which the contractors were bound to execute according to the tendered rates should not be recovered from the persons responsible for the payment.

(ii) After a site for the construction of a new school building proposed by the Board was approved by the Consulting Public Health Engineer to Government and foundation for the building was excavated, the Board decided to construct the building on another site. As the contractor has now claimed Rs. 150 for excavating and filling in the foundation on the old site, the expenditure, if incurred, will represent so much waste.

(iii) Bad workmanship and slack supervision by the Engineering Department were the marked features of this Board. They were responsible for the demolition and reconstruction of three new school buildings and in one case the villagers had to seek the intervention of the Collector and Executive Engineer for getting the work done by the contractor dismantled.

(iv) Though the Board's Engineer had prepared an estimate for Rs. 1,03,070 for the construction of the office building, it was not considered at all and plans and designs were called for from outside architects and a prize of Rs. 1,000 was paid to the person whose plans and designs were adjudged best by the Selection Committee. Subsequently, however, the tenders invited on the basis of the plan and estimate thus selected were cancelled by the Board and the Board's Engineer was asked to prepare fresh plans and estimates up to Rs. 95,000. Apparently the expenditure of Rs. 1,000 incurred on plans and designs from outside architects was a waste.

(v) Technical advice of the Engineer and his Inspection Reports concerning public works were ignored. Though cases of contractors supplying materials inferior in quality or less in

quantity, were reported by him, not only no deductions in rates were made and no action taken against persons responsible for accepting inferior or short supplies, but in one case, out of the deduction made by the Engineer, a sum of Rs. 75 was ordered by the Board to be refunded to the contractor !

(vi) Road materials including soft murum and sand collected in 1934-35 and even prior to that date were lying unused till the close of 1936-37 ; but the balances in stock were not verified.

(vii) After inviting tenders for the supply of blasted metal, a piece-worker was allowed to supply boulder metal with reduction in rate of only 2 annas per 100 c. ft. though in the sanctioned schedule of rates the rate was Re. 1 less. The Board has been asked to enquire into this matter which has resulted in excess payment of Rs. 179-6-0.

(viii) Musters for labourers engaged on works done departmentally were not submitted by the overseers for months together and when received were found to contain false names of labourers (all adult males entitled to higher rate of wages) in the place of women and children actually employed. A sum of Rs. 293-4-0 drawn on such suspicious musters was refunded to the Board by the Engineer. A thorough enquiry into these musters and suitable action against the persons found responsible have been suggested.

(c) *Jamner Taluka Local Board*.—Although the original budget was sanctioned on 26th March 1936 most of the works were taken up for execution in January 1937 and were rushed through at the close of the year. More than 75 per cent. of the Board's expenditure on public works was incurred in March 1937 and 9 out of 34 works were not taken up at all, while 7 remained incomplete at the close of the year.

(d) *Nasik District Local Board*.—(i) On the representation of a member that when he visited a Taluka Local Board office in his capacity as Chairman, Works Committee, a maistry with the intention of defaming him, gave a false complaint to the Police to the effect that he had unauthorisedly entered the office and that he subsequently withdrew it, the Board suspended the maistry concerned and appointed a special committee to report on the matter. After a prolonged enquiry and considerable expense on travelling allowance to members, it was ascertained from the Sub-Inspector of Police that no such complaint was filed at all ! The total expenditure incurred on this exceeded Rs. 200.

(ii) Instead of adopting prompt measures for the recovery of arrears of toll dues amounting to Rs. 573 from a toll contractor, the Board appointed a sub-committee to report on the allegations made by him that he was only a nominal contractor while the contract was actually managed by a person who happened to be an ex-President of the Board. Six meetings of this sub-committee were fixed in all. For four meetings, there was either no quorum or no member was present. The fifth was postponed at the request of the contractor and at the sixth, no business was transacted as certain persons whose statements were to be recorded were not present.

(iii) A contract for current repairs to a road was given to a person alleged to be an uncle of the Chairman, Works Committee and a relative of the contractor was appointed to supervise the work. The measurements of metal supplied are supposed to have been checked by the Chairman, Works Committee, and the contractor thereafter was paid for 2,769 c.ft. of metal. The actual supply as verified by the Engineer worked up to 1,600 c.ft. only. The Sub-Overseer who obviously recorded false measurements was punished by reduction of his pay by Rs. 10 for one year, but the action of the Chairman, Works Committee and of the contractor in certifying these false measurements were not taken notice of and there was nothing on record to show that the short supply valued at Rs. 75 was actually made good.

(iv) In another case, measurements of 5,400 c.ft. of metal and 3,600 c.ft. of muram recorded by the Sub-Overseer in the presence of the Chairman, Works Committee were found to be false as when the Board's Engineer visited the site there was no material on roadside and this fact was corroborated by the contractor and the maistry. While another contractor informed the Board about his having stacked 85 brass of muram on a road, the same Sub-Overseer certified to 80 brass; but when the Engineer and a member of the Board visited the site, it was found that there was no muram at all on the roadside! The report of the Engineer on these matters though submitted to the President in August 1936 remained undisposed of.

(v) Four musters aggregating Rs. 613-3-6 and pertaining to the period from November 1935 to February 1936 which should have been submitted to the Engineer from month to month were received by him only in March 1936 unaccompanied by working reports and measurement sheets showing the work turned out. Despite the suggestion of the Engineer to the President to institute enquiries, the Vice-President after obtaining an explanation from the Sub-Overseer ordered the payment of these musters. The facts that (i) the musters were unusually delayed and (ii) when the Engineer visited the work on 19th December 1935 there was only one muster form in use which was attested by him in token of his having check-measured that day's labour—while another sheet for wages amounting to Rs. 87-13-6 was subsequently attached to the muster, were circumstances sufficient enough for instituting a thorough enquiry in this matter as suggested by the Engineer.

(e) *Pachora Taluka Local Board*.—(i) 5,400 c.ft. of reserve metal collected prior to 1928 was washed off by floods in 1930 and the balance of 8,000 c.ft. when measured in 1936-37, at an expense of Rs. 33, resulted in a deficit of 1,400 c.ft. The metal remained idle for more than 8 years.

(ii) Advances amounting to Rs. 530 paid to contractors about a decade ago and shown as outstanding in the annual accounts of the Board up to the year 1935-36, without any details of them in the register of advances, were adjusted by debiting the amount to

"Revenue" and crediting it to "Suspense" in the annual account for 1936-37. Neither the vouchers for the drawal of these advances in 1925-26 nor the final bills of the contractors for which the advances were paid could be produced. It has been suggested that a valuation should be made of the works executed before admitting this belated adjustment.

(f) *Rahuri Taluka Local Board*.—On the basis of an unsanctioned estimate and without even taking the advice of the Engineer or the Sub-Divisional Officer and without a proper survey, a cause-way was constructed in 1934-35 under the orders of the President at a cost of Rs. 2,041. The stream diverted its course and another cause-way estimated to cost Rs. 8,966 is being constructed now by the District Local Board.

(g) *Raver Taluka Local Board*.—For the special repairs to a road estimated to cost Rs. 6,043, even though a contractor, approved by the District Local Board had tendered rates at 31 per cent. below the estimates the work was given to another contractor at 25 per cent. less. After a portion of the work was executed, tenders were again invited, but the work was entrusted to the same contractor at the same rate previously offered by him against the rate of 27 per cent. below the estimated rates offered by the former. Apparently the action of the Taluka Local Board in this case displayed disregard of the interests of the rate-payers.

(h) *Satara District Local Board*.—(i) The case of the Sub-Divisional Officer, Satara, who recorded false measurements as reported in paragraph 4 of Chapter III (b)-3-A of the previous Report, still remained undecided.

(ii) Avoidable expenditure of Rs. 300 was incurred by the Board by appointing a weaving master from 27th August 1936 nearly a year before the weaving class itself was actually started which was from 1st July 1937.

(iii) The state of affairs in this Board was very unsatisfactory. Inordinate delays in renewing investments, in preferring and passing of bills and disposing of important matters under correspondence, and unbecoming controversies between heads of departments on petty matters due evidently to want of clearly defined responsibilities, functions and want of proper executive control, were the outstanding features of the administration. Maintenance of accounts of works expenditure was also defective due to the obstructive attitude and inefficiency of the staff in the accounts branch. Against the budgeted allotment of Rs. 3,48,700 for works, expenditure of Rs. 1,88,000 only was incurred during the year and 121 out of 320 works provided for remained incomplete at the end of the year. Works were not taken up according to any set plan, incomplete works of previous years were not allowed precedence over new works, estimates were frequently revised and extensions of time limit were liberally allowed without enforcing penal conditions of contracts. The position has already been brought to the notice of the Board; but there is no improvement.

(i) *Shrigonda Taluka Local Board*.—After the cost of materials supplied for the construction of a dharamshala was paid for in 1934-35, the contractor dismantled the construction and removed the materials. Neither the materials nor its cost amounting to Rs. 250 was recovered from the contractor.

(C) SOUTHERN DIVISION.

(a) *Dharwar District Local Board*.—Under the orders of the President, a boring machine was given to a member on 2nd March 1935. Notwithstanding several reminders to return it, he retained it till April 1936 and then sent it to Taluka Local Board office at Navalgund. The Taluka Local Board Overseer, who was asked to report the works executed by means of the boring machine stated that 3 bores in all were taken in the private lands—two in the back yard of the member's own house and another in a land belonging to a third person. Though the Engineer estimated a rent of Rs. 300 as recoverable from the member, the Board resolved not to recover any rent on the ground that the member had agreed to allow the villagers to make use of the pumps which he had fixed in the bore. As the pump was fixed in private land and the site was not transferred to District Local Board by a gift deed, the public had no access to it as a matter of right. The amount of Rs. 300 has therefore been ordered for recovery.

(b) *Karwar District Local Board*.—Two members challenged the election of a particular person as the President and filed a civil suit. The suit having been decided in his favour, the members appealed to the District Court which set aside the decision of the lower Court and declared another member as duly elected. Instead of allowing the parties to fight it out at their own cost, the Board preferred a second appeal to the High Court and incurred expenditure of Rs. 80-13-3. As the Board though a nominal party to the suit could have left the aggrieved party to appeal at its own cost as was done in the case of proceedings in the lower Courts the expenditure incurred was apparently unjustifiable and avoidable and the question of its recovery from the persons responsible therefor has been suggested.

(4) *Losses by fraud or negligence.*

(A) NORTHERN DIVISION.

(a) *Kalyan Taluka Local Board*.—(i) A defalcation of Rs. 1,644-1-2 committed by the clerk, by systematically withholding remittances of Board's moneys to the bank, was detected on 5th July 1935 by the Chief Officer, District Local Board, during a surprise visit. The clerk was prosecuted and convicted; but out of the amount misappropriated a sum of Rs. 1,439-8-2 remained unrecovered. As it is not possible to recover the amount either from the clerk or his sureties and as the misappropriation was rendered possible for want of supervision and control over the work of the clerk by the

President under Section 23 (c) of the Local Boards Act and Rule 1 (8) of the Local Boards Account Code (1928), its recovery from the ex-Presidents concerned has been recommended to the Commissioner.

(ii) It was also found that indiscriminate advances aggregating Rs. 1,540-4-0 paid to contractors on the President's own authority and without the sanction of the Board had become irrecoverable. The case has been reported to the Commissioner for surcharge against the ex-Presidents who were responsible for the loss.

(b) *Panchmahals District Local Board*.—Malpractices were rampant in the collection of cattle pound fines. Remittances of fines to office were unduly delayed in several cases. In one case a pound-keeper in spite of reminders failed to remit the collections for over a year and when the overseer was specially sent to the village, collections to the extent of Rs. 45-12-0 were found to have been misappropriated. Another pound-keeper was found to have similarly misappropriated Rs. 39-10-0 and in yet another case the pound-keeper corrected the numbers of animals shown in the counterfoils of receipts issued to impounders to a smaller figure than those shown in the original foils and misappropriated the difference in fine. In none of these detected cases the pound-keepers concerned were prosecuted.

(B) CENTRAL DIVISION.

(a) *Ahmednagar District Local Board*.—Four persons who were members both of the District Local Board and the School Board drew travelling allowance from both the Boards for the same journeys. Overpayments of Rs. 60 on this account were refunded by them on being pointed out in audit.

(b) *Nasik District Local Board*.—(i) A sum of Rs. 102-2-0 remitted to the Treasury was not credited by the peon with whom the remittance was sent and it was alleged that the amount was lost by him. The peon has since been dismissed from service and a civil suit filed against him. No security was taken from the peon though its necessity was strongly pointed out in Circular No. 1, dated 29th May 1935 issued by this office.

(ii) For lack of supervision and check over the cattle-pound accounts the number of misappropriations was increasing. There were three such cases during the year. Full facts of these cases were not reported to my office and to the Collector of Nasik as required by Rule 32 of the Local Fund Audit Rules and action taken against the delinquents was quite inadequate.

(c) *Niphad Taluka Local Board*.—A pound-keeper misappropriated fines amounting to Rs. 20. A criminal complaint was filed against him by the police authorities; but the pound-keeper absconded. The Taluka Local Board failed to report this misappropriation to this office as required by Rule 32 of the rules under Section 15 of the Local Fund Audit Act.

(d) *Shirpur Taluka Local Board*.—A pound-keeper, who did not issue any receipts to the persons impounding and releasing animals and did not maintain any accounts, temporarily misappropriated a sum of Rs. 67-11-0 in about 4 months. Though the same pound-keeper was again found to have misappropriated another sum of Rs. 37-8-0 in the same way, no action was taken against him. Another case of a pound-keeper who neither maintained the pound accounts, nor credited the fines collected by him to the Taluka Local Board is pending before the District Local Board. Prosecution in clear cases of misappropriation has been suggested.

(C) SOUTHERN DIVISION.

(a) *Hangal Taluka Local Board*.—(i) Cash balance with the clerk was never verified by the President and the cash chest was only nominally deposited in the treasury as it was not withdrawn at all on the dates on which payments were made while no payments were made on the dates on which it was actually withdrawn from treasury. This absence of check and supervision on the part of the President facilitated misuse of the Board's moneys. The clerk was ordered to be prosecuted; but before this could be done he absconded and committed suicide.

(ii) A sum of Rs. 52-8-0 payable to labourers engaged on a muster and debited to the imprest as having been paid to the overseer was not acknowledged by him and it was alleged that the payment was not received by him at all. Another sum of Rs. 11-14-0 paid from the imprest to a supplier and certified to that effect by the President remained unacknowledged. The supplier has also complained about non-payment of the amount due to him. In a third case though the voucher for Rs. 80 paid out of the imprest, was duly acknowledged by the contractor and attested to by a witness and endorsed by the President, a complaint about non-payment of the amount was made. The Board was requested to enquire into all these cases; but there has been no report since then.

(b) *Hirekerur, Taluka Local Board*.—(i) A sum of Rs. 100 received as popular contribution for the sinking of a bore-well for which a receipt was issued on 29th October 1936 was not accounted for. Investigation has been suggested.

(ii) Out of a permanent advance of Rs. 300 a sum of Rs. 241-3-0 spent in 1934-35 and 1935-36 remained unrecouped and vouchers for this amount were not forthcoming, when the balance was verified in audit.

CHAPTER IV.

Municipal and Cantonment School Boards.

(a) General.

The accounts of all the 41 Municipal and Cantonment School Boards in the Province were audited during the year. The accounts of 19

Municipal School Boards were inspected by the Examiner or Assistant Examiner. Total recoveries ordered amounted to Rs. 8,564. Total expenditure disallowed for Government grant amounted to Rs. 7,16,480.

(b) *Accounts Irregularities.*

Delay in passing budgets.

(A) BOMBAY DIVISION.

Bandra Municipal School Board.—Contrary to the provisions of Primary Education Rule 140 (1) requiring the budget estimates to be submitted to the Local Authority before 1st September of the previous year, the budget estimates for 1936-37 were passed by the School Board as late as on 29th June 1936.

(B) CENTRAL DIVISION.

Jalgaon Municipal School Board.—The budget for the year 1936-37 was finally approved by the Local Authority on 5th August 1936 and was forwarded to School Board as late as on 5th November 1936. The budget for the year 1937-38 was also not approved by the Local Authority till the end of July 1937. Attention of the Board has been invited to the Primary Education Rule.

(C) SOUTHERN DIVISION.

Hubli Municipal School Board.—The budget for 1936-37 was sanctioned by the Local Authority on 23rd March 1937 when almost all the expenditure had already been incurred.

CHAPTER V.

District School Boards.

(a) *General.*

The accounts of all the 20 District School Boards in the Province were audited during the year. The accounts of 13 District School Boards were inspected by the Examiner or Assistant Examiner. Total recoveries ordered amounted to Rs. 21,902 including cash recoveries of Rs. 563 effected during audit. Total expenditure disallowed for Government grant amounted to Rs. 14,38,908.

(b) *Accounts Irregularities.*

(1) *Unsound financial policy and defective budgetting.*

(A) BOMBAY DIVISION.

Kolaba District School Board.—The financial position of this Board was unsatisfactory. The balance in the Primary Education Fund on 31st March 1937 was Rs. 887 only against which there was a liability of Rs. 7,177 on account of Board's contribution to the Provident Fund.

(B) · CENTRAL DIVISION.

East Khandesh District School Board.—(i) The balances of popular contributions, ranging between Rs. 50,000 and Rs. 55,000 during 1935-36 and between Rs. 45,000 and Rs. 51,000 during 1936-37, were kept in the current account instead of being invested as required by Rule 27 (3) of the School Board Account Code. This resulted in a loss of about Rs. 1,859 on account of interest, as the Board realised Rs. 41 only for the year 1935-36 and 1936-37 against Rs. 1,900 that would have been earned at the rate of 2½ per cent. had the balance been invested in fixed deposit with the Bank.

(ii) Similarly instead of investing the balance of the Provident Fund, which ranged between Rs. 12,450 and Rs. 43,365 during 1935-36 and between Rs. 1,000 and Rs. 12,000 during 1936-37 in Government securities, the Board kept it in the current account with the East Khandesh Central Co-operative Bank, which allowed no interest in 1935-36 and at 1 per cent. only during 1936-37. This resulted in the Primary Education Fund being saddled with the avoidable burden of the difference between the interest payable at the guaranteed rate of 3½ per cent. and that actually realized.

(C) SOUTHERN DIVISION.

Dharwar District School Board.—(i) The financial position of the School Board was very unsatisfactory and is progressively getting worse. A *minus* opening balance on 1st April 1936 was only averted by postponing the payment of the liabilities of the previous year, especially the pay of teachers, to the year 1936-37 while liabilities aggregating Rs. 1·12 lacs pertaining to the year 1936-37 were thrown on the funds for 1937-38. The annual expenditure of the Board was in excess of its income and the deficit of Rs. 1·12 lacs on 1st April 1937 represented the sum total of past deficits. The Board has been advised to balance its future budgets by adopting a regular scheme of retrenchment in its recurring expenditure.

(ii) The position due to failure to adjust advances for civil works was serious. These advances aggregating about Rs. 50,000 were not properly accounted for and remained outstanding since 1926-27, though works have been duly completed long ago.

(2) Breaches of Acts, Rules and Standing Orders of Government.

(B) CENTRAL DIVISION.

(a) *East Khandesh District School Board.*—Contrary to the provisions of Primary Education Rule 53, two clerks who had failed to pass the Accounts Clerks' Examination within the time-limit prescribed were not only allowed to continue in service but were

granted all the privileges admissible to the substantive incumbents of the posts. Recovery of Rs. 353-9-0 paid to these clerks on account of increments and leave salary and termination of their services have been suggested.

(b) *Satara District School Board*.—(i) The budget for 1936-37 was sanctioned by the School Board in December 1935 instead of in September 1935 as required by rule 140 (1) of the Primary Education Rules and by the Local Authority as late as in October 1936. Similary budget for 1937-38 was passed by the School Board as late as in March 1937 and by the Local Authority in July 1937.

(ii) The percentage of transfers was 33·7 against 25 prescribed in Government Resolution, Educational Department, No. 5973, dated 15th July 1935, and there were some striking instances of teachers transferred more than once during the year. As these constant shiftings result in avoidable expenditure on travelling allowance the Director of Public Instruction has been requested to take necessary action to stop this waste.

(iii) Four lakhs of rupees belonging to the Provident Fund were invested by the Board in fixed deposit with a Co-operative Bank. Investment of this amount in Government securities or Postal Cash Certificates in accordance with the orders contained in Government Memorandum, General Department, No. 216/33, dated 20th May 1937, has been suggested.

(C) SOUTHERN DIVISION.

Dharwar District School Board.—In contravention of the requirements of rule 141 of the Primary Education Rules the original and revised budgets for 1936-37 were submitted to the Local Authority on 1st April 1936 and 29th July 1936 respectively and these were approved by the latter on 1st August 1936. The original budget for 1937-38 also was submitted to the Local Authority as late as 3rd May 1937. The Board has been advised to observe the requirements of this rule strictly in future.

(3) *Unsound Administration.*

(A) BOMBAY DIVISION. •

(a) *Nasik District School Board*.—Sub-Committees were appointed by the Board for different purposes; but in the majority of cases they hardly met or transacted any business. In an important case of enquiry though the meetings of the Sub-Committee were convened on as many as 11 occasions most of them were adjourned for want of quorum and the disposal of the business was unnecessarily delayed; and the Board only spent its funds on travelling allowance.

(b) *East Khandesh District School Board*.—The Sub-Committee appointed for proposing transfers of teachers held three meetings and their proposals were placed before the meeting of the School

Board at which it was decided to call another special meeting for the purpose. At the special meeting thus convened the proposals for transfers were abandoned till the next year. Travelling allowance was paid to the members of the Sub-Committee for attending three meetings and to 15 members of the School Board for attending the special meeting, at which no other business was transacted.

(c) *Poona District School Board*.—A Committee of two members appointed to hold an enquiry convened five meetings at none of which was there a quorum. At the sixth meeting attended by both the members, no statements were recorded but a final report was submitted to the Board. The Committee which thus transacted its business at one sitting cost Rs. 56 to the Board, out of which Rs. 44 were spent as travelling allowance for attending the first five meetings. Similarly out of the expenditure of Rs. 159-4-0 on account of travelling allowance to members for attending the meetings of another Sub-Committee, a sum of Rs. 131-8-0 was paid in respect of seven meetings which were adjourned for want of quorum.

(d) *Satara District School Board*.—The Board's general administration cannot be said to be efficient. Cases of inordinate delays in sanctioning leave, settling claims of teachers, absence of any check over pay bills and monthly talebands and considerable extravagance in travelling allowance were the features. The Board has been advised to improve the present state of affairs.

(C) SOUTHERN DIVISION.

(a) *Dharwar District School Board*.—(i) Pay and emoluments higher than those strictly admissible were paid to Supervisors and teachers disregarding suggestions made in audit from year to year to rectify these excess payments.

(ii) Collection of fees and its remittances by the Taluka Master were not checked by the Supervisors and the School Board office with the result that cases of temporary and minor misappropriations of fees were noticed; but the subordinates were mostly let off lightly, either with or without warning.

CHAPTER VI.

Estates under the Collectors and Court of Wards under the Bombay Court of Wards Act, 1905, and the Minors' Estates under the Guardians and Wards Act, 1890.

(1) *General.*

Out of the estates managed by the Court of Wards in 19 districts in the Province, those in 15 districts were audited during the year. Out of 16 districts in which the Minors' estates are managed by the Nazirs or the Deputy Nazirs under the Guardians and Wards Act, the accounts in 13 were audited during the year. The accounts of the former in 6 districts and those of

the latter in 7 districts were inspected by the Examiner or Assistant Examiner. Total recoveries ordered amounted to Rs. 35,733 including cash recoveries of Rs. 4,828 effected during audit.

(b) *Accounts Irregularities.*

(I) *Estates under the Court of Wards.*

(A) NORTHERN DIVISION.

Ahmedabad.—According to the terms of lease with the tenants of an estate, a rate of Rs. 2 per bigha was to be charged in respect of lands in the possession of the tenants remaining uncultivated. This condition was, however, not enforced in the years 1935-36 and 1936-37 with the result that the estate lost Rs. 16,482.

(B) CENTRAL DIVISION.

(a) *Satara.*—(i) The Manager of an estate against whom there were several grave charges including those of attempts at illegal gratification and suppression of official records was dismissed from service. The audit of accounts of this estate disclosed several instances in which the interests of the estate suffered largely on account of the wilful default and gross negligence of the Manager. These have been pointed out to the Collector and the Court of Wards for suitable action.

(ii) The accounts and other important records of all the estates were in an unsatisfactory state. Not only they did not exhibit the true and correct state of affairs of the estates; but the management by the Taluka officers was also considerably slack. Audit Notes and objection statements since 1932-33, through which these defects were repeatedly brought to notice, were not disposed of till 1937-38 and even then it was noticed that the replies furnished by the Taluka officers did not represent facts. Inventories of the estates were not carefully and accurately prepared, subsidiary registers were not maintained to record immoveable and moveable properties and debts due to and by the estates, with the result that collections and liquidation of debts and liabilities could not be ascertained. Arrears of rent due by the tenants for the period prior to the assumption of the estates were not ascertained and promissory notes had, in some cases, become time-barred during the management period. This state of affairs was due to the entire absence of any check at the headquarters over the work of the Taluka officers. The necessity of overhauling the existing system of management and centralizing accounts in the Collector's office has been suggested and recognised.

(b) *Sholapur.*—Cash certificates of the face value of Rs. 10,000 due for one shipment partly on 24th April 1936 and partly on 29th July 1936 were not cashed till the omission was pointed out in audit in January 1938. Interest for a period of over 1½ years was lost to the estate.

(C) SOUTHERN DIVISION.

(a) *Dharwar*.—(i) Lack of proper supervision and dilatoriness were prominent features. Cases of losses due to negligence in renewing matured securities and in securing rebate of income-tax are being noticed year after year. Some central check over the accounts by the Collector's office has been suggested.

(ii) For tampering with the figures of arrears as shown in the demand register of land rent of an estate the Estate Clerk was prosecuted and sentenced. The Collector's detailed report in this connection is awaited.

(II) *Estates under the Nazir and Deputy Nazir.*

(A) NORTHERN DIVISION.

(a) *Broach*.—Large cash balances ranging from Rs. 4,000 to Rs. 10,000 were retained on hand for unduly long periods unnecessarily.

(b) *Thana*.—An estate stated to be worth nearly Rs. 50,000 was taken over for management in 1931; but its accounts being in the Punjabi Urdu script, neither the Cash Book was translated nor were the history-sheet of the estate and the connected registers prepared by the Deputy Nazir, with the result that the transactions of this estate could not be checked in audit. The translation of the accounts through an expert and their production for audit has been suggested. It is not known how the estate is managed.

(B) CENTRAL DIVISION.

Ahmednagar.—Arrears of land and house rents were very heavy in several estates. As some of these were outstanding since 1928-29, immediate action for their recovery has been suggested.

(C) SOUTHERN DIVISION.

Belgaum.—(i) A sum of Rs. 2,000 due in 1927 on a life insurance policy which was the only asset of an estate of which the Deputy Nazir was appointed guardian in 1931 was actually realised in 1936, with the result that interest on Rs. 2,000 was lost to the estate for about five years.

(ii) In another estate, Postal Cash Certificates of the face value of Rs. 3,850 which matured in March 1933, and Government promissory notes for Rs. 7,700 due for encashment in the year 1932-33 were actually cashed in February and March 1937 respectively. This involved a loss of about Rs. 2,500 to the estate on account of interest.

CHAPTER VII.

Miscellaneous Audits.

(a) *General.*

Out of 303 miscellaneous funds including 12 new audits not provided for in the programme, 262 were audited during the year. The accounts of 9 funds were inspected by the Examiner or Assistant Examiner. The total recoveries ordered amounted to Rs. 8,981 including cash recoveries of Rs. 99 effected during the course of audit.

(b) *Accounts Irregularities.*

(a) *Ahmednagar Famine Relief Trust Fund.*—Notwithstanding attention being repeatedly drawn to the necessity for taking timely action for recovery of debts due to the Trust Fund no improvement was noticed in this direction. This resulted in debts to the extent of Rs. 685 becoming time-barred.

(b) *Sirsangi Trust Fund.*—(i) Extensive tracts of lands are shown as having been leased permanently on rents equal to the assessment and in several other cases at rents less than the assessment itself. No documentary evidence was available in support of these tenancies.

(ii) In his will the Sardesai of Sirsangi had directed that such of the Inamdars in the Sansthan as held inam lands in consideration of services to be rendered but did not render any service to the Estate should be made to pay the land revenue for the lands held by them and that failing which the lands should be resumed. There were about 104 such Inamdars holding lands, the annual land revenue of which amounted to Rs. 9,808 per annum, who apparently rendered no service of any kind nor paid any land assessment.

(iii) According to agreements entered into by the scholars, scholarships paid out of the Trust Funds have to be refunded after they begin to earn over a certain income. Recoveries of such scholarships were not made except in very few cases. A large number of such debts ranged between Rs. 500 and Rs. 1,500 and total outstandings on this account exceeded Rs. 1,00,000. A thorough scrutiny of the outstandings and adoption of measures for recovery have been suggested.

(c) *Village Improvement Committees' Funds.*—The accounts of these funds were taken up for audit for the first time in the year 1936-37 on the orders contained in Government Resolution, Finance Department, No. 6821, dated 13th February 1936. They were generally not properly maintained and were not susceptible of very effective check in audit. Transactions were not recorded in the Day Book, receipts were not invariably issued for amounts received and vouchers with payees' acknowledgments were not prepared to support the expenditure incurred. Temporary advances to

workers and their final clearance were not closely watched and furniture and other articles of value purchased out of these funds were not accounted for. The accounts maintained by the Village Improvement Committee at Satara were particularly very bad. A general letter containing instructions for the proper maintenance of these accounts has been issued for the guidance of these Committees.

(d) *The Health Association, Satara.*—The accounts of this institution were audited for the first time under orders in Government Resolution, Finance Department, No. 6821, dated 13th February 1936. They were not maintained satisfactorily. Generally receipts were not issued for amounts received and vouchers were not available for payments. Suggestions for the improvement of accounts have been made to the Chairman of the Association.

CHAPTER VIII.

Other Topics of Interest.

(1) *General financial position.*—With very few exceptions the financial position of the majority of local bodies—especially municipalities governed by the Bombay District Municipal Act, 1901, is very discouraging. General or specific suggestions to improve it have had no effect and very few bodies had the courage to face the position by taking prompt and energetic action. In the majority of cases the Boards, reluctant to impose or enhance direct taxation or take energetic steps to recover duly authorised taxes, contented themselves by meeting critical situations by resorting to temporary expedients of postponing the liquidation of obligatory liabilities, utilizing special and earmarked funds for general purposes, refraining from or curtailing the performance of statutory duties and even deferring payments to the establishment for months together. Such questionable practices cannot permanently cure or prevent financial and administrative deterioration for long and the necessity for devising ways and means to place their finances on a sound footing needs being impressed upon the local bodies concerned.

(2) *Municipalities.*—(a) Breaches of the provisions of the Bombay Municipal Boroughs Act and the Bombay District Municipal Act in the matter of preliminary procedure to be observed in connection with the preparation and completion of assessment lists, were very common. The assessment lists were, in many cases, first published after the commencement of the official year to which they related and their completion and authentication were delayed even so late as the close of the year. In a few cases they were even left unauthenticated altogether. Evidently the implications of the requirements of the Act have not been realised at all by several municipalities.

(b) Apart from inordinate delays in the completion of the assessment lists, slackness of control was also evident in the collection of taxes with the resultant accumulation of arrears. Barring a few exceptions (*e.g.*, Ahmedabad, Kurla, Sholapur Borough Municipalities and Bulsar, Jambusar, Mahableswar and Wai District Municipalities), the collection work was not systematically organised and the position in this respect was particularly bad in most of the municipalities in the Southern Division. A regrettable feature was that in several cases, the municipal councillors, who may be expected to impress upon the public that the municipal dues must promptly be paid as and when they fall due and that default would definitely be followed up by coercive measures, were themselves among the contumacious defaulters against whom the executive was too weak to take effective action under the special provisions affecting their continuance as councillors. It is probably too much to expect improvement by enjoining upon the municipalities the necessity of not flinching to take prompt action to disqualify the defaulting members under special provisions of section 28 (1) (c) of the Bombay Municipal Boroughs Act or section 15 (2) (f) of the Bombay District Municipal Act as the case may be.

(c) *Dharwar Municipality*.—The unsatisfactory state of affairs in this Municipality deserves special mention. The audit of the accounts for the years 1935-36 and 1936-37 after two postponements had to be suspended and subsequently abandoned altogether on account of their incomplete and chaotic state. Even now (October 1938) they have not been written up and it is doubtful whether they will be available for audit till the end of the current year, by which time the accounts of 4 years will remain unaudited. Vouchers in support of payments aggregating nearly Rs. 7,000 were wanting. A large number of defalcations in the last three years have come to light and are still being reported and in the absence of a Chief Officer since 31st May 1938, the administration is deteriorating in other respects also. The general revision of house-tax which should have been brought into force from 1st April 1938 has not yet been completed and the position as regards the arrears which amounted to 70 per cent. of the total demand was obviously very bad. The Provident Fund accounts are also in the same incomplete state as in the past, while audit objections some of which were raised so far back as in 1928-29 are yet to be finally disposed of. Government in December 1937 had ordered the Municipality to discharge the then Chief Officer on account of inefficiency. This, of course, was done in due course; but instead of promptly appointing a competent officer to the post, they tried the temporary expedient of appointing an unqualified man to the post for the maximum period permissible under the Act and now, since 1st June 1938, there is no Chief Officer in an important Borough Municipality like Dharwar and the administration is being conducted by a subordinate staff without adequate control, supervision or direction except to the small extent which the President almost single-handed is able to afford.

(d) Unlike the Local Boards and the School Boards, each Municipality has its own framework of accounts and there is little, if any, uniformity in the form and procedure of accounting obtaining in these bodies. A Municipal Account Code and a manual of procedure would help to standardize these accounts.

(3) *Local Boards.*—(a) Though the administration of the District Local Boards was somewhat better, the financial position of most of the Boards—especially in the Southern Division—is gradually deteriorating due mainly to the curtailment of some Government grants (*e.g.*, communication, establishment and excise) and to the incapacity or unwillingness of some Boards to increase the Local Fund Cess up to the maximum of 2 annas permitted by the Act. The maintenance of accounts in these bodies was however satisfactory.

(b) *Cattle-Pounds.*—The administration of cattle-pounds under the management of Local Boards was not sound. Due to want of effective supervision, numerous cases of petty defalcations and temporary misappropriations of pound collections were rendered possible and when these were detected, the delinquents were, in a majority of cases, allowed to escape unscathed on making good the amounts misappropriated or resigning service or absconding. Such lenient treatment of delinquents indicates the keen desire of the Boards to shield them from the unpleasant consequences of prosecution, in utter disregard of the general interests of the rate-payers and of good administration.

(4) *Provident Fund Accounts.*—In contravention of the Provident Fund Rules and the orders of Government contained in Government Resolution, General Department, No. 216/33, dated 20th May 1937, requiring all accumulated funds to be invested in approved securities, the local bodies enumerated in column (A) of Appendix III-A continued to deposit these funds in co-operative or other banks, while those listed in column (B) of the same Appendix failed to observe the provisions of the rules regarding the payment of interest by paying it at lower rates than those laid down in the rules. The Provident Fund Accounts of local bodies mentioned in column (C) of the Appendix were not written up-to-date.

(5) *Local Fund Audit Act*—(a) *Surcharge.*—An expenditure of Rs. 200 incurred by the Ashta Municipality for repairing a private well was surcharged against the councillors who authorised it. Recovery of the amount is awaited. Several other cases of surcharge have been recommended to the Commissioners of Divisions under section 10 (3) of the Local Fund Audit Act and their orders are awaited.

(b) *Audit Reports.*—Cases of failure of local bodies in suitably disposing of and in replying to audit reports within three months of receipt as required by sub-section (I) of section 10 of the Local Fund Audit Act, 1930, were too numerous to detail here and even reports of such failures to the Commissioners did

not mend matters. In Appendix III-B have been listed cases of local bodies which delayed submission of replies for more than 6 months against 3 months provided in the Local Fund Audit Act. Even after such inordinate delay the final action on audit suggestions in the more important cases continued to be deferred till the points became stale and lost their importance. Audit in such cases thus becomes futile.

(c) *Publication*.—The mandatory provisions of sub-section (4) of section 10 of the Local Fund Audit Act, 1930, requiring publication of portions of audit reports dealing with defects and irregularities together with replies thereto in a newspaper circulating in the district, were not generally observed by many local bodies. The effect of the orders issued by Government in this connection in Government Resolution, General Department, No. 1759/33, dated 30th July 1937, is being watched.

APPENDIX I.

Details of the cost of the Local Audit Department.

Pay—

	Rs.
1 Examiner at Rs. 846-8-0 per mensem (average cost)	10,158
1 Assistant Examiner at Rs. .630 per mensem (average cost)	7,560
15 Senior Auditors at Rs. 364-5-0 per mensem (average cost)	65,576
1 Apprentice Senior Auditor at Rs. 120 per mensem	1,440
* 24 Clerks at Rs. 140-7-0 per mensem (average cost)	40,446
2 Clerks at Rs. 104-10-0 per mensem (average cost)	2,511
2 Typists at Rs. 101-10-0 per mensem (average cost)	2,439
Special pay to 3 Sub-Auditors at Rs. 25 per mensem each	900
Special pay to Stenographer at Rs. 30 per mensem	360
22 Inferior servants	4,452
	1,35,842
† Leave contribution	17,995
† Pension contribution	17,850
Allowances, Honoraria, etc.	25,612
Contingencies	7,513
Total Cost	2,04,812

* The pay of the leave reserve is met by the Central Government.

† Leave and pension contributions for the whole staff are recovered from the Government of Bombay.

APPENDIX II.

PART I.

Audits governed by Bombay Local Fund Audit Act.

			No. of Audits.	No. of Audits.
Borough Municipalities	...	...	27	
District Municipalities	...	...	103	
Notified Area Committees	...	...	15	
Municipal School Boards	...	...	35	
District School Boards	...	...	20	
Cantonment Educational Accounts	...	...	6	
District Local Boards	...	...	20	
Taluka Local Boards	...	...	137	
			363	363

PART II.

Audits not governed by the Bombay Local Fund Audit Act.

(A) Public Conveyance Funds and Receipts under the Indian Motor Vehicles Act	...	20	
(B) Workmen's Compensation Accounts	...	22	
(C) Estates under the Courts of Wards	...	19	
(D) Minors' Estates under Nazirs and Deputy Nazirs	... ..	16	
(E) Medical Funds	... ..	70	
(F) Trust Funds	... ..	22	
(G) Educational and Industrial Institutions	...	5	
(H) Ports and Marine Funds	...	2	
(I) High Court Audits	...	18	
(J) Miscellaneous Audits entrusted to Local Audit Department under the orders of the Bombay Government	... ..	162	
		356	356
Grand Total	...		719

APPENDIX III—IMPORTANT ACCOUNT STATEMENTS.

STATEMENT No. I.

Municipal Boroughs whose revenue expenditure exceeded ordinary income during 1936-37.

Name of Municipal Borough.	Income.	Expenditure.	Excess of expenditure.	Remarks.
1	2	3	4	5
	Rs.	Rs.	Rs.	
<i>Central Division.</i>				
Chalisgaon ...	49,870	50,327	457	
<i>Southern Division.</i>				
Bijapur ...	2,74,607	2,90,922	16,315	

STATEMENT No. II.

Municipal Boroughs which were unable to meet their obligations during 1936-37.

Name of Municipal Borough.	Amount of liability not met.	Nature of the liability not met.	Remarks.
1	2	3	4
	Rs.		
<i>Central Division.</i>			
Barsi ...	51,714	Toll Fund.	
Ahmednagar ...	12,103	Against a balance of Rs. 10,930 the outstanding bills and deposits amounted to Rs. 28,038.	
Pandharpur ...	58,170	Toll Fund.	

STATEMENT No. III.

*Municipal Boroughs whose Councillors were in arrears
on 31st March 1937.*

Name of Municipal Borough.	Number of Councillors who were in arrears on 31st March 1937.	Total amount of arrears due from Councillors on 31st March 1937.	Remarks.
1	2	3	4
		Rs.	
<i>Northern Division.</i>			
Broach	1	85	
Bandra	7	1,488	
<i>Central Division.</i>			
Ahmednagar	4	306	
Barsi	3	188	
Chalisgaon	1	148	
Dhulia	1	5	
Nasik	7	690	
Pandharpur... ..	1	9	
<i>Southern Division.</i>			
Belgaum	6	97	
Bijapur	7	177	

STATEMENT No. IV.

Municipal Boroughs which did not observe Government Orders of general nature during 1936-37.

Name of Municipal Borough.	Number and date of Government Order.	Subject of Government Order.	Remarks.
1	2	3	4
<i>Northern Division.</i>			
Broach ...	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
Nadiad ...	Do. do. ...	Do. do.	
<i>Central Division.</i>			
Barsi ..	G.O., G.D., No. 1001, dated 1st December 1927 and G.R., G.D., No. 1001, dated 15th March 1934.	Maintenance of a depreciation fund for water supply works financed from loan funds.	The Municipality has not contributed to the fund since the year 1935-36.
Nasik ...	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
	G.R., G.D., No. 3334, dated 2nd October 1924.	Expenditure on medical relief should not be less than 4 per cent. of total expenditure.	
	G.R., G.D., No. 6883, dated 7th June 1921.	Toll Fund Account not maintained.	
<i>Southern Division.</i>			
Belgaum ..	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
Bijapur ...	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
Ratnagiri ...	G.O., G.D., No. 3334, dated 2nd October 1924.	Expenditure on medical relief should not be less than 4 per cent. of total expenditure.	

STATEMENT NO. V.

Statement of liabilities, assets, arrears of taxes and dues and percentages of arrears of taxes and dues to the total demand during 1936-37.

Name of Municipal Borough.	Liabilities.	Assets.	Arrears of taxes and dues.		Percentage of arrears to the total demand.	Remarks.
			(A) Old i.e. for the years preceding 1936-37.	(B) Current i.e. during the year 1936-37.		
1	2	3	4	5	6	7
<i>Northern Division.</i>						
Ahmedabad ...	Rs. 37,10,471	Rs. 50,66,397	Rs. 4,25,572	1,98,295	17.9	
Bandra ...	6,13,463	7,66,202	1,85,909	1,92,559	24	
Broach ...	20,989	38,710	802	2,759	5.5	
Kurla ...	2,01,689	3,72,456	1,15,544	73,666	19	
Nadiad ...	10,769	36,838	16,914	9,536	28.8	
Surat ...	6,47,793	13,03,823	96,207	43,921	19	
Thana ...	81,113	1,01,644	73,092	34,149	30	
<i>Central Division.</i>						
Ahmednagar ...	23,083	1,14,852	42,920	44,727	33	
Amalner ...	.....	.....	.....	.....	.....	Audit in arrears.
Barsi ...	1,06,378	1,08,447	15,486	12,332	18.69	
Bhusaval ...	27,075	72,920	9,460	6,881	21	
Chalisgaon...	2,520	83,831	13,117	13,590	47	
Dhulia ...	1,03,682	2,53,594	25,633	33,781	13	
Jalgaon ...	77,312	1,49,861	19,946	30,127	26	
Lonavla ...	1,394	38,176	21,384	9,067	25.4	
Nasik ...	1,58,195	2,55,108	64,366	89,791	43	
Pandharpur ...	84,911	73,484	24,174	25,743	21	
Poona City...	4,52,705	8,19,425	73,181	88,107	18.1	
Poona Suburban ...	85,120	1,88,115	3,923	7,556	12.2	
Satara City ...	30,807	89,011	32,153	55,676	42.9	
Sholapur ...	4,82,150	4,98,178	54,578	61,367	10.8	
<i>Southern Division.</i>						
Belgaum ...	32,128	1,11,647	9,055	15,263	24	
Bijapur ...	1,36,011	1,92,115	44,150	46,063	33	
Dharwar ...	.....	.....	.....	.....	.....	Audit abandoned.
Gadag Bettigeri ...	2,180	64,873	20,804	12,790	17	
Hubli ...	28,919	1,94,482	22,743	36,888	24	
Ratnagiri ...	4,862	30,790	2,558	4,942	26	

STATEMENT NO. VI.

Statement of revenue, establishment charges, percentage of establishment charges to the total revenue of Municipal Boroughs during 1936-37.

Name of Municipal Borough.	Total revenue excluding that from extraordinary and debt heads.	Total expenditure excluding that under extraordinary and debt heads.	Total establishment charges relating to		Percentage of establishment charges to the total revenue.		Percentage of establishment charges to total expenditure.	Remarks.
			(A) Revenue yielding Departments only.	(B) Total establishment charges.	(A) For revenue yielding Departments only.	(B) For all Departments.		
1	2	3	4	5	6	7	8	9
<i>Northern Division.</i>								
	Rs.	Rs.	Rs.	Rs.				
A Ahmedabad ...	52,89,281	43,05,636	3,39,810	9,41,858	6.4	17.8	21.8	
Bandra...	7,85,691	7,32,127	30,617	1,99,892	3.9	25.4	27.3	
Broach...	2,86,487	2,75,624	11,531	73,627	4.02	25.7	26.7	
Kurla ...	4,16,001	3,83,585	9,395	1,18,935	2.26	28.59	31	
Nadiad...	1,66,984	1,64,777	6,674	32,048	3.9	19.1	19.4	
Surat ...	11,87,762	11,82,474	57,303	1,93,512	4.82	16.3	16.3	
Thana ...	2,14,759	2,07,429	13,091	59,150	6.1	27.5	28.5	
<i>Central Division.</i>								
A Ahmednagar ...	2,59,039	2,64,763	10,386	85,032	4.01	32.83	32.1	
Amalner. ...	.....	.....	.....	...	...	...	...	Audit in arrears.
Barsi ...	1,91,700	2,06,660	9,831	68,210	5.12	35.64	33	
Bhusawal ...	1,68,899	1,50,377	10,311	50,258	6.3	30.7	33.4	
Chalisgaon ...	64,170	50,327	2,688	17,223	4.18	26.83	34.2	
Dhulia ...	2,43,555	2,39,854	44,790	68,680	18.38	28.18	28.63	
Jalgaon ...	2,64,761	2,23,369	6,269	56,559	2.4	21.4	25.5	
Lonavla ...	1,07,500	1,02,583	1,104	32,127	1	30	31.3	
Nasik ...	3,47,913	2,96,196	24,555	1,15,057	7.15	30.2	38.84	
Pandharpur ...	2,41,942	2,28,745	34,995	81,317	15	34	36	
Poona City ...	16,38,124	14,73,116	1,89,157	4,28,000	8.5	26.3	29	
Poona Suburban...	1,57,896	1,49,555	27,083	50,412	17.2	32	33.5	
Satara City ...	1,31,141	1,31,142	9,759	26,122	7.4	19.9	19.9	
Sholapur ...	10,64,619	9,16,423	4,030	2,58,164	4.5	24	28	
<i>Southern Division.</i>								
Belgaum ...	2,10,683	1,68,348	18,148	56,056	6.6	26.1	32.7	
Bijapur ...	2,75,007	2,30,922	15,887	47,019	5.7	17.1	16.1	
Dharwar ...	.....	.....	.....	...	...	...	...	Audit abandoned.
Gadag Bettigeri ...	2,63,057	2,37,294	14,139	22,620	5.9	11.2	12.4	
Hubli ...	4,19,946	3,55,542	20,871	1,35,475	4.9	32.2	38.1	
Ratnagiri ...	49,268	48,858	3,261	16,750	6.6	34.02	38.1	

STATEMENT NO. VII.

District Municipalities governed by the District Municipal Act, 1901, whose revenue expenditure exceeded the ordinary income during 1936-37.

Name of the Municipality.	Income.	Expenditure.	Excess of expenditure.	Remarks.
1	2	3	4	5
	Rs.	Rs.	Rs.	
Northern Division.				
Bhiwandi	51,969	55,183	3,214	
Dholka	51,050	51,945	295	
Modasa	18,340	19,350	1,010	
Prantij	25,778	27,432	1,654	
Sanand	19,683	20,050	367	
Kandivli (N. A. C.) ...	10,020	10,271	251	
Viramgam	87,087	89,248	2,161	
Central Division.				
Ashta	10,007	10,947	940	
Baramati	57,076	59,451	2,375	
Dhond	2,062	3,432	1,370	(For the period from 21st September 1936 to 31st March 1937).
Karmala	30,416	35,236	4,820	
Sangamner	61,832	67,536	5,704	
Southern Division.				
Bagalkot	93,266	94,992	1,726	
Guledgud	32,795	35,696	2,901	
Sirsi	55,024	57,857	2,833	
Karwar	29,956	33,636	3,680	
Bhatkal	15,533	15,691	158	
Panvel	41,516	44,003	2,487	

STATEMENT NO. VIII.

District Municipalities which were unable to meet their obligations during 1936-37.

Name of the Municipality.	Amount of liability not met.	Nature of the liability not met.	Remarks.
1	2	3	4
<i>Northern Division.</i>			
	Rs.		
Bassein	20,593	Road Repair Fund.	
	5,229	Contribution towards Primary education.	
Dhandhuka	12,566	Road Fund liability.	
Kalyan	16,000	G. I. P. Railway.	
Kapadwanj	29,988	Water Works and Drainage	
		Depreciation Funds less set apart.	
Modasa	5,233	Road Fund Balance.	
Rander	16,624	Balance of trust funds merged into general balance.	
Bhiwandi	4,711	Electricity bills.	
	1,370	District School Board, Thana.	
<i>Central Division.</i>			
Dhond	2,520	Outstanding bills.	(For the period from 21st September 1936 to 31st March 1937.)
Indapur	10,825	Road Fund.	
Trimbak	2,651	Sinhast Police charges.	
	9,345	Water Works Depreciation Fund.	
	44,243	Toll Fund.	
Taloda	1,388	Octroi refunds.	
	8,681	Contribution to District School Board on account of Primary Education.	
<i>Southern Division.</i>			
Bagalkot	2,237	Outstanding bills due to the contractor.	
Nargund	4,943	Payable to the District School Board, Dharwar.	
Athni	9,969	Payable to the District School Board, Belgaum.	
	6,204	Balance of Road Fund.	

STATEMENT No. IX.

*Municipal Districts whose Councillors were in arrears on
31st March 1937.*

Name of the Municipal District.	Number of Councillors who were in arrears on 31st March 1937.	Total amount of arrears due from Councillors on 31st March 1937.	Remarks.
1	2	3	
<i>Northern Division.</i>		Rs. a. p.	
Bassein	3	275 0 0	
Bhiwandi	3	89 0 0	
Borivli (N.A.C.) ...	2	65 0 0	
Juhu	3	71 0 0	
Prantij	1	5 0 0	
Rander	4	283 0 0	
Sanand	1	5 4 0	
<i>Central Division.</i>			
Ashta	14	198 4 0	
Baramati	1	16 9 0	
Betawad	5	10 8 0	
Chopda	1	5 1 0	
Indapur	1	4 0 0	
Islampur	1	48 14 0	
Manmad	2	90 0 0	
Nandgaon	1	3 11 0	
Panehgani	2	424 6 0	
Sanganer	9	96 6 0	
Sinnar	1	25 8 0	
<i>Southern Division.</i>			
Alibag	1	8 4 0	
Bagalkot	1	4 0 0	
Chiplun	2	17 0 0	
Gokarn	3	34 10 0	
Guledgud	11	187 0 0	
Haveri	6	50 0 0	
Uran	2	80 9 0	

STATEMENT NO. X.

District Municipalities which did not observe Government Orders of General nature during 1936-37.

Name of the Municipality.	Number and date of Government order.	Subject matter of Government order.	Remarks.
1	2	3	4
<i>Northern Division.</i>			
Basscin ...	G.R., G.D., No. 6583, dated 7th June 1921.	Toll and Wheel Tax to be earmarked for improvements to roads.	
Bhiwandi ...	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
Dakore (Kaira).	Do. ...	Do. do.	
Godhra ...	Do. ...	Do. do.	
	G.R., G.D., No. 3334, dated 2nd October 1924.	Expenditure on medical relief should not be less than 4 per cent. of the expenditure of the Municipality.	
Kalyan ...	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
	G.R., G.D., No. 6920, dated 25th August 1927 and G.R., G.D., No. 5723, dated 10th August 1927.	Toll and Wheel Tax receipts should be earmarked for expenditure on roads.	
Kapadvanj ...	G.R., G.D., No. 1001, dated 1st December 1927.	Maintenance of water works and drainage accounts in prescribed forms.	
Rander ...	G.R., G.D., No. 6883, dated 7th June 1921.	Toll and Wheel Tax to be earmarked for improvements to roads.	
	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
Viramgam ...	G.R., G.D., No. 2640, dated 28th April 1931 and Section 40 (2) of the D. M. Act.	Sanction of Commissioner should be obtained for leasing public street lands.	

STATEMENT No. X—*contd.*

Name of the Municipality.	Number and date of Government order.	Subject matter of Government order.	Remarks.
1	2	3	4
<i>Central Division.</i>			
Manmad ..	G.R., G.D., No. 8394, dated 2nd October 1924.	Expenditure on Medical relief should not be less than 4 per cent. of the total expenditure.	
Trimbak ...	G.R., G.D., No. 5723, dated 10th August 1927 and G.R., G.D., No. 6920, dated 25th August 1927.	Toll fund should be kept earmarked for expenditure on roads.	
Do. ...	G.R., G.D., No. 2274, dated 31st March 1922.	Apportionment of charges against Pilgrim Fund.	
<i>Southern Division.</i>			
Athni ...	G.R., G.D., No. 192, dated 3rd February 1922.	The cost of special conservancy should be fully met from the proceeds of the special sanitary cess.	
Chiplun ...	G.R., G.D., No. 192, dated 3rd February 1922.	Do. do.	
Kumta ...	Do. ..	Do. do.	
Sirsi ...	G.M., G.D., No. 693/3, dated 6th June 1935.	Report to the Collector and Examiner about embezzlements.	

STATEMENT NO. XI.

Statement of liabilities, assets, arrears of taxes and dues and percentage of arrears of taxes and dues to the total demand during 1936-37.

Name of District Municipality.	Liabilities.	Assets.	Arrears of taxes and dues.		Percentage of arrears to the total demand.	Remarks
			(A) Old, i.e., for the years pre- ceding 1936-37.	(B) Current, i.e., during the year 1936-37.		
1	2	3	4	5	6	7
<i>Northern Division.</i>	Rs.	Rs.	Rs.	Rs.	Per cent.	
Anand ...	1,543	11,768	1,219	1,821	15.60	
Ankloshwar ...	1,749	16,291	447	1,167	19.49	
Bassein ...	46,002	40,350	9,928	8,762	35	
Bhiwandi ...	8,550	33,450	20,375	27,357	61	
Borsad ...	3,664	19,445	778	810	7.68	
Bulsar ...	6,140	19,628	38	177	0.51	
Dakore ...	52,525	54,863	2,214	3,217	29.05	
Dholka ...	1,775	8,637	1,765	698	29.3	
Dhanduka ...	3,373	8,273	251	951	8.5	
Dohad ...	1,660	13,698	713	1,766	10.43	
Ghatkopar ...	39,802	68,299	12,053	14,466	17	
Godhra ...	30,499	54,112	8,176	4,378	29.03	
Jambusar ...	153	25,639	8	17	0.81	
Juhu ...	12,949	26,168	2,195	3,205	31	
Kaira ...	62	6,082	2,142	851	21.69	
Kapadvanj ...	54,898	37,737	805	9,489	6.66	
Kalyan ...	65,297	81,288	26,252	31,016	38	
Mohmedabad ...	137	3,739	1,454	845	23.19	
Modasa ...	5,555	6,197	1,847	2,174	20.7	
Prantij ...	9	4,785	405	671	10.8	

STATEMENT NO. XI—*contd.*

Name of District Municipality.	Liabilities.	Assots.	Arrears of taxes and dues.		Percentage of arrears to the total demand.	Remarks.
			(A) Old, i.e., for the years pre- ceding 1936-37.	(B) Current, i.e., during the year 1936-37.		
1	2	3	4	5	6	7
<i>Northern Division</i>						
<i>—contd.</i>	Rs.	Rs.	Rs.	Rs.	Per cent.	
Rander ...	20,420	89,810	11,863	9,695	33.50	
Ranpur ...	292	8,823	488	341	16.8	
Sanand ...	63	4,466	1,426	2,070	26	
Umreth ...	1,094	21,059	3,051	4,087	29.26	
Vile Parle ...	91,416	1,57,192	29,051	34,297	19	
Viramgam ...	21	11,223	1,660	2,192	8.5	
<i>Notified Area Committees.</i>						
Ambernath ...	Nil.	9,513	283	632	...	Not available as the previous records were destroyed by fire.
Borivli ...	3,556	21,189	3,857	6,006	22	
Chembur ...	150	5,056	1,515	732	8	
Kandivli ...	2,735	6,052	356	661	5	
Malad ...	2,142	9,997	1,708	2,069	8	
Mulund ...	782	17,736	9,699	3,688	19.49	
<i>Central Division.</i>						
<i>District Municipalities—</i>						
Alandi ...	24,581	38,319	281	567	12	
Ashta ...	53	24,390	13,755	6,088	80.19	
Baramati ...	2,046	25,625	13,932	15,950	49	
Betawad ...	7,670	8,945	1,444	857	42	
Bhagur ...	246	8,820	172	441	16.2	
Chopda ...	5,485	38,795	9,904	8,449	42	

STATEMENT No. XI—*contd.*

Name of District Municipality.	Liabilities.	Assets.	Arrears of taxes and dues.		Percentage of arrears to the total demand.	Remarks.
			(A) Old, i.e., for the years pre- ceding 1936-37.	(B) Current, i.e., during the year 1936-37.		
1	2	3	4	5	6	7
<i>Central Division</i> — <i>contd.</i>	Rs.	Rs.	Rs.	Rs.	Per cent.	
<i>District Municipalities</i> — <i>contd.</i>						
Dharangaon ...	2,094	33,194	5,204	4,720	31.8	
Dhond (from 31st Sept- ember 1936 to 31st March 1937).	2,520	2,621	.....	...	...	
Erandol ...	103	27,327	686	1,550	12.6	
Faizpur ...	1,834	10,905	11,605*		46.9	* Separate figures are not available.
Igatpuri ...	1,351	54,715	1,908	7,540	32.08	
Ludapur ...	11,097	10,996	2,934	3,695	66.6	
Islampur ...	†	†	7,586	3,678	41.18	† Figures for 1936-37 are not available as the ac- counts for 1936-37 and 1937-38 were audited to- gether.
Jojuri ...	7,860	3,034	675	603	56	
Junnar ...	.....	.....	.....	...	...	Audit in arrears. Do.
Karad ...	.....	.....	.....	...	...	
Karmala ...	8,010	36,204	2,135	4,514	41.6	
Mahabaleshwar ...	90	59,323	.....	926	1.5	
Malegaon ...	7,905	57,951	12,488	21,297	38	
Manmad ...	3,194	33,523	3,015	8,664	31	
Mhaswad ...	7,622	5,232	1,433	405	27.8	
Nandgaon ...	1,328	25,597	2,605	2,952	35	
Nandurbar ...	†	†	17,708	25,484	36	† Figures for 1936-37 are not available as the ac- counts for 1936-37 and 1937-38 were audited to- gether.
Panchgani ...	5,943	23,080	9,131	3,198	35	
Parola ...	1,970	14,901	4,812	2,394	32.3	
Rahimatpur ...	10,235	7,008	242	467	21.3	
Raver ...	778	23,537	823	1,584	23.9	
Sangamner ...	9,376	41,406	15,991	9,580	61	
Sangola ...	226	6,783	460	1,473	40	

STATEMENT No. XI—*contd.*

Name of District Municipality.	Liabilities.	Assots.	Arrears of taxes and dues.		Percentage of arrears to the total demand	Remarks.
			(A) Old, i.e., for the years pre- ceding 1936-37.	(B) Current, i.e., during the year 1936-37.		
1	2	3	4	5	6	7
<i>Central Division</i> —concl'd.	Rs.	Rs.	Rs.	Rs.	Per cent.	
<i>District Municipalities</i> —concl'd.						
Saswad ...	9,453	24,730	569	794	25	
Satara Suburban ...	1,581	27,094	164	168	11.5	
Savda ...	10,537	11,325	1,861	1,670	28.2	
Shahada ...	24,668	41,419	428	3,281	31.4	
Shirpur ...	.....	.....	.....	...	...	Audit arrears. in
Sindkheda ...	8,260	8,013	2,437	2,397	39.5	
Sinnar ...	14,281	11,504	2,808	3,462	44.3	
Sirur ...	6,891	37,936	2,003	2,569	44	
Talegaon Dabhade ...	9,002	9,154	2,409	2,482	43	
Taloda ...	15,498	9,940	86	324	5.4	
Tasgaon ...	8,806	14,575	484	806	15	
Trimbak ...	58,974	22,258	1,797	1,162	16.2	
Vita ...	7,689	9,653	15	47	2.2	
Wai ...	15,210	4,979	Nil.	21	.42	
Yawal ...	10,338	19,676	7,695	3,306	34.6	
Yeola ...	34,429	47,307	17,519	14,154	64	
<i>Notified Area Committees.</i>					()	
Lonand ...	.....	.....	.....	...	...	Audit arrears. in
Talegaon ...	Nil.	6,509	3,461	1,371	56	
<i>Southern Division.</i>						
<i>District Municipalities—</i>						
Alibag ...	1,475	28,851	2,500	2,063	13.6	
Athni ...	16,798	7,611	1,588	3,235	37	

STATEMENT No. XI—*contd.*

Name of District Municipality.	Liabilities.	Assets.	Arrears of taxes and dues.		Percentage of arrears to the total demand.	Remarks.
			(A) Old, i.e., for the years pre- ceding 1936-37.	(B) Current, i.e., during the year 1936-37.		
1	2	3	4	5	6	7
<i>Southern Division</i> — <i>contd.</i>	Rs.	Rs.	Rs.	Rs.	Per cent.	
<i>District-Municipalities</i> — <i>contd.</i>						
Bagalkot ...	19,858	44,846	4,753	2,840	10	
Bailhongal ...	50	13,860	3,441	5,612	46	
Bhatkal ...	5,219	3,188	1,076	1,228	37.4	
Byadgi ...	11,846	21,497	3,502	3,957	39	
Chiplun ...	5,629	76,842	36	2,599	21.25	
Gokak ...	2,765	16,651	1,667	4,267	36	
Gokarn ...	1,925	2,595	303	367	42	
Guledgud ...	1,212	10,339	5,405	10,705	58	
Haliyal ...	2,145	9,600	408	705	9.5	
Haveri ...	3,580	20,865	4,623	4,687	43.9	
Honavar ...	964	30,629	4,112	3,115	57	
Ilkal ...	2,112	56,897	1,673	1,035	15	
Karwar ...	2,112	12,232	2,874	2,475	37	
Kumta ...	868	8,783	51	1,660	13	
Mahad ...	27,392	41,495	3	150	1.8	
Malwan ...	7,779	83,368	5,757	9,289	48	
Matheran ...	24,934	2,06,792	91	2,982	6.44	
Nargund ...	13,023	10,034	1,094	2,013	25	
Navalgund ...	5,699	10,961	2,857	1,331	14.7	
Nipani ...	77,942	1,27,237	3,809	6,102	29	
Panvel ...	7,870	16,993	4,669	8,877	26.1	

STATEMENT No. XI—*concl'd.*

Name of District Municipality.	Liabilities.	Assets.	Arrears of taxes and dues.		Percentage of arrears to the total demand.	Remarks.
			(A) Old, i.e., for the years pre- ceding 1936-37.	(B) Current, i.e., during the year 1936-37.		
1	2	3	4	5	6	7
<i>Southern Division— concl'd.</i>	Rs.	Rs.	Rs.	Rs.	Per cent.	
<i>District-Municipalities —cont'd.</i>						
Pen	2,518	8,194	2,114	1,557	18.2	
Ranobennur	26,337	30,377	886	7,539	10.4	
Roha-Ashtami	1,220	9,637	3,964	3,346	27.2	
Saundatti	19,823	12,510	749	1,102	15	
Sirsi	37,042	50,813	1,131	1,253	24.2	
Ulvi	1,281	4,082	Nil.	Nil.	Nil.	
Uran	200	15,360	7,748	7,188	37	
Vengurla	26,656	33,936	783	3,859	42	
<i>Notified Area Committees.</i>						
Annigeri	Nil.	4,751	1,391	775	22	
Dapoli ... ..	.....	.....	.....	...	...	Audit arrears. in
Hungund	Nil.	4,526	528	563	19	
Khed ... ..	.....	.....	.....	...	...	Audit arrears. in
Rajapur	1,962	12,603	1,030	2,021	30	

STATEMENT No. XII.

STATEMENT No. XII.

Statement of revenue, establishment charges, percentage of establishment charges to the total revenue of District Municipalities during 1936-37.

Name of the District Municipality.	2	3	Total establishment charges relating to :		Percentage of establishment charges to the total revenue.		Percentage of establishment charges to total expenditure.	Remarks.	
			(A) Revenue yielding Departments only.	(B) Total establishment charges.	(A) For revenue yielding departments only.	(B) For all departments.			
Northern Division.									
Anand	...	Rs. 40,886	Rs. 30,852	Rs. 1,986	Rs. 12,542	3	31	40.6	
Ankleshwar	...	55,445	53,881	4,176	24,749	8	45	45.9	
Bassein	...	46,062	41,520	3,098	15,700	6.7	34.1	37.8	
Bhiwandi	...	59,782	55,183	6,411	21,776	9.5	33.5	39.4	
Borsad	...	29,091	20,783	265	7,754	0.90	26.65	37.3	
Bulsar	...	91,716	87,502	3,953	20,154	4.31	21.92	23	
Dakore	...	97,200	91,258	3,957	17,903	9	48	57.2	

Dholka	...	51,050	51,345	4,363	15,765	11.4	40.7	30.7
Dhanduka	...	34,740	32,308	1,762	8,456	5.07	24.3	26.1
Dohad	...	73,910	63,918	2,944	9,502	3.98	16.78	15
Ghatkopar	...	81,629	61,833	795	25,292	1	31	40.9
Godhra	...	1,07,107	94,646	6,184	13,813	5.72	12.92	14.6
Jambusar	...	47,390	41,517	3,226	22,409	6.82	47.39	53.9
Juhu	...	10,514	7,108	141	4,064	1.3	38.6	57.1
Kaira	...	12,204	12,240	405	5,800	3.92	47.53	47.3
Kapadwanj	...	80,371	70,756	2,061	36,649	2.57	45.66	51.7
Kalyan	...	1,26,120	1,23,461	32,370	47,563	25	88	39.5
Mehmedabad	...	24,474	23,480	956	14,620	3.9	59.74	62.2
Modasa	...	19,340	19,350	668	4,485	3.5	24.4	23.1
Pantij	...	25,778	27,432	1,633	16,836	4.2	65	61.5
Rander	...	59,900	59,700	2,330	13,810	4.72	22.16	23.1
Ranpur	...	16,736	14,890	1,142	3,463	6.8	20.6	23.2
Sanand	...	19,633	20,050	800	7,035	4.3	35.7	35.1
Umreth	...	23,863	25,188	1,026	12,002	4	42	47.6
Vile Parle	...	2,23,553	1,92,439	26,575	54,184	11.9	24.4	23.3
Virumgam	...	87,087	89,248	7,782	26,674	12.5	34.5	29.9

STATEMENT No. XII—*contd.*

Name of the District Municipality.	1	2	3	Total establishment charges relating to :		Percentage of establishment charges to the total revenue.		Remarks.	
				(A) Revenue yielding Departments only.	(B) Total establishment charges.	(A) For revenue yielding departments only.	(B) For all departments.		
				4	5	6	7	8	9
Notified Area Committees.									
Ambernath	...	...	Rs.	Rs.	Rs.	Rs.	.....	.....	
Borivli	...	21,911	21,360	660	3,914	8.3	19.6	183	
Chembur	...	9,168	9,184	802	802	8.75	8.75	8.73	
Kandivli	...	10,020	10,271	576	1,531	5.5	15	14.9	
Malad	...	24,595	22,841	626	3,468	2.5	14	15.1	
Mulund	...	16,925	12,830	1,241	3,170	7.63	19.41	24.7	
Central Division.									
Alandi	...	13,885	12,298	2,203	6,588	15.8	47.4	53.5	
Ashta	...	10,008	10,887	312	3,897	3.1	38.9	35.8	

STATEMENT No. XII—*contd.*

Name of the District Municipality.	Total revenue excluding that from extraordinary and debt heads.	Total expenditure excluding that under extraordinary and debt heads.	Total establishment charges relating to :			Percentage of establishment charges to the total revenue.		Percentage of establishment charges to total expenditure.	Remarks.
			(A) Revenue yielding departments only.	(B) Total establishment charges.	(A) For revenue yielding departments only.	(B) For all departments.			
1	2	3	4	5	6	7	8	9	
Central Division—contd.									
Nandgaon	24,847	22,274	2,229	8,110	8.9	32.6	36.4		
Nandurbar	1,26,082	1,41,960	5,334	45,230	4.62	37	31.8		
Panchgani	30,403	22,853	1,562	10,615	5.14	34.91	47.5		
Parola	26,116	26,098	1,495	2,351	6	9	9		
Rahimatpur	6,800	6,262	528	1,749	8.4	27.8	27.9		
Raver	26,444	21,133	1,838	6,914	6.95	26.14	32.7		
Sanganner	61,832	67,536	4,798	24,013	7	38	35.5		
Sangola	12,956	12,564	1,315	4,673	14.4	36	37.1		
Saswad	20,090	15,024	1,517	6,428	7.55	31.99	42.78		

Satara Suburban	...	7,490	6,534	565	1,991	7	26	90.4	
B Savda	...	43,663	42,400	8,200	7,677	7.38	17.58	18.1	
B Shahada	...	39,236	28,886	8,485	9,074	10.5	27.3	31.4	
H Shirpur	...	.....	.....	.....	.....	.....	.....	.....	Audit in arrears.
981 Sindkheda	...	10,963	9,563	885	2,368	9.33	21.6	24.7	
11 Sinner	...	25,112	25,116	3,351	10,610	13.84	42.25	42.24	
Sirur	...	18,481	18,814	2,769	8,576	15	46.4	45.5	
Talegaon-Dabhade	...	13,592	13,779	1,554	6,150	11.4	45.3	44.6	
Taloda	...	24,311	23,194	3,888	7,517	13.9	30.9	32.4	
Tasgaon	...	22,758	19,372	1,955	6,251	8.6	27	32.2	
Trimbak	...	24,110	22,927	1,007	7,215	4.17	29.92	32.31	
Vita	...	18,143	18,731	1,865	9,146	10.29	17.3	17	
Wai	...	36,428	33,161	6,377	14,504	17.5	40	44.9	
Yezwal	...	30,144	25,939	1,415	6,627	4.69	22	25.7	
Yeola	...	74,794	64,575	4,856	31,101	6.49	41.58	48.17	
Lenand (N. A. C.)	...	.....	.....	.....	.....	.....	.....	.....	Audit in arrears.
Talegaon (N. A. C.)	...	3,751	1,866	450	945	12	26	50.6	

STATEMENT XII—*contd.*

Name of the District Municipality.	Total revenue excluding that from extraordinary and debt heads.	Total expenditure excluding that under extraordinary and debt heads.	Total establishment charges relating to :			Percentage of establishment charges to the total revenue.		Percentage of establishment charges to total expenditure.	Remarks.
			(A) Revenue yielding departments only.	(B) Total establishment charges.	(A) For revenue yielding departments only.	(B) For all departments.			
1	2	3	4	5	6	7	8		
Southern Division.									
Alibag	Rs. 22,288	Rs. 18,929	Rs. 1,545	Rs. 8,642	6.93	38.77	44.5		
Athni	25,186	25,992	2,603	10,217	10.3	40.5	39.8		
Bagalkot	98,166	94,932	5,785	15,294	6	16	16.1		
Bailhongal	26,775	26,815	5,081	11,426	18.9	43	42.6		
Bhatkal	15,598	15,691	1,906	2,962	14.2	22.1	18.3		
Byadgi	35,543	29,598	2,398	5,762	7	16	19.4		
Chiplun	72,062	41,343	3,213	15,627	4.95	24.1	37.8		
Gokak	86,445	39,497	2,248	12,345	12.1	28.1	29		
Gokarn	4,749	4,353	757	757	24	24	17.3		

Guledgud	...	32,795	85,696	2,906	6,387	88	194	178
Hajyal	...	22,477	21,632	2,933	8,496	103	37.7	39.4
Haveri	...	44,748	41,304	3,102	21,868	69	48.9	52.9
Honavar	...	17,509	18,073	4,487	4,487	25.5	25.5	24.8
Ilkal	...	80,219	26,237	2,616	4,952	86	16.3	18.9
Karwar	...	32,928	34,766	4,104	11,254	124	33.5	32.3
Kumta	...	31,884	31,629	3,740	11,095	11.9	35.3	85
Mahad	...	29,758	18,726	3,576	7,899	12.01	26.5	42.1
Malwan	...	35,729	22,395	5,359	13,636	18.5	38	60.8
Matheran	...	69,554	49,538	2,048	23,405	2.9	33.6	47.2
Nargund	...	20,319	16,656	2,814	4,243	13.8	20.8	25.4
Navalgund	...	16,974	15,700	2,178	5,096	12.3	30.9	32.4
Nipani	...	1,03,043	87,460	4,542	37,022	44	36	42.3
Panvel	...	41,516	44,003	10,484	15,244	25.25	36.7	34.64
Pen	...	21,265	20,307	4,393	8,863	20.6	41.6	43.5
Ranebennur	...	49,031	47,055	4,448	27,364	9.1	55.8	58.1
Roha	...	18,519	15,188	2,638	6,596	14.2	35.6	48.4
Saundatti	...	18,058	26,540	3,303	4,983	9.84	14.08	14.9
Saundatti Pilgrim Fund	...	17,313	6,716					

STATEMENT XII—*concl'd.*

Name of the District Municipality.	Total revenue excluding that from extraordinary and debt heads.	Total expenditure excluding that under extraordinary and debt heads.	Total establishment charges relating to :		Percentage of establishment charges to the total revenue.		Percentage of establishment charges to total expenditure.	Remarks.
			(A) Revenue yielding departments only.	(B) Total establishment charges.	(A) For revenue yielding departments only.	(B) For all departments.		
1	2	3	4	5	6	7	8	9
Southern Division—contd.								
Sirsi	Rs. 55,023	Rs. 57,857	Rs. 4,753	Rs. 30,556	8.6	55.5	52.8	
Ulvi	1,270	1,268	158	332	12.44	26.14	26.18	
Uran	16,728	16,720	2,017	5,318	12.06	31.8	31.8	
Vengurla	47,969	40,495	2,027	11,565	8.18	24.5	29	
Notified Area Committees.								
Annigeri	2,987	3,028	720	816	24	29	26.8	Audit in arrears.
Dapoli	.....	.....	.....	.....	.....	.....	.....	
Hungund	3,679	3,529	480	588	13	16	16.6	Audit in arrears.
Khed	.....	.....	.....	.....	.....	.....	.....	
Rajapur	21,694	18,774	1,171	5,654	5.4	26.06	30.1	

STATEMENT NO. XIII.

Municipal School Boards—Their total income, expenditure and the amount of expenditure held in audit to be admissible for Government grant during 1936-37.

Name of the Municipal School Board.	Income.	Expenditure.	Amount of expenditure held in audit to be admissible for Government grant.	Remarks.
1	2	3	4	5
<i>Bombay Division.</i>				
	Rs.	Rs.	Rs.	
Bandra	1,17,116	92,308	64,091	
Chiplun	15,535	15,647	14,346	
Kalyan	33,678	35,785	30,753	
Malegaon	53,148	53,457	48,164	
Nasik	75,012	70,730	68,064	
Thana	43,830	45,306	36,235	
Vengurla	20,622	20,622	18,873	
<i>Northern Division.</i>				
Ahmedabad	7,60,802	7,61,781	4,07,259	
Broach	85,110	£ 1,922	67,928	
Bulsar	33,941	33,049	30,686	
Dohad	37,095	31,401	28,556	
Godhra	34,528	34,359	31,743	
Nadiad	63,512	63,836	63,057	
Rander	17,713	18,015	15,401	
Surat	2,74,198	2,58,342	2,30,973	
Viramgam	33,249	32,146	30,995	
<i>Central Division.</i>				
Ahmednagar	91,088	95,614	84,162	
Amalner	45,500	51,973	37,243	
Baramati	22,060	21,928	21,396	
Barsi	47,229	47,365	35,912	
Dhulia	86,276	93,433	82,319	
Jalgaon	71,267	69,648	50,857	

STATEMENT NO. XIII—*contd.*

Name of the Municipal School Board.	Income.	Expenditure.	Amount of expenditure admissible for Government grant.	Remarks.
1	2	3	4	5
<i>Central Division—contd.</i>	Rs.	Rs.	Rs.	
Lonavla	18,376	18,156	15,437	
Nandurbar	30,839	32,195	29,908	
Pandharpur	50,562	49,744	44,684	
Poona City	3,22,311	3,24,740	2,66,017	
Poona Suburban	24,508	20,156	12,030	
Satara	42,890	43,602	42,211	
Sholapur	1,66,009	1,66,864	1,30,093	
<i>Southern Division.</i>				
Bagalkot	31,979	32,329	31,263	
Bijapur	91,228	86,788	70,788	
Dharwar	63,001	61,758	57,389	
Gadag	66,481	67,082	57,789	
Hubli	1,25,654	1,27,012	1,16,196	
Nipani	25,704	25,704	23,019	
<i>Cantonment Boards.</i>				
Ahmedabad	1,751	1,525	1,134	
Ahmednagar	10,412	10,412	10,142	
Belgaum	4,706	4,706	4,349	
Deolali	14,411	6,878	2,930	
Kirkee	312	1,953	1,353	
Poona	6,211	19,046	17,846	

STATEMENT NO. XIV.

District School Boards—Their total income, expenditure and the amount of expenditure held in audit to be admissible for Government grant during 1936-37.

Name of the District School Board.	Income.	Expenditure.	Amount of expenditure held in audit to be admissible for Government grant.	Remarks.
1	2	3	4	5
<i>Bombay Division.</i>	Rs.	Rs.	Rs.	
Bombay Suburban Division.	61,403	1,02,338	69,564	
Kolaba	3,44,744	3,88,171	3,65,325	
Nasik	4,61,468	5,05,746	4,85,404	
Ratnagiri	5,53,868	5,88,978	5,31,945	
Thana	4,22,675	4,99,540	4,28,105	
<i>Northern Division.</i>				
Ahmedabad	5,35,952	5,07,546	5,04,082	
Broach	3,67,909	3,92,552	3,44,913	
Kaira	6,76,840	6,82,902	6,40,618	
Panchmahals	2,09,061	2,14,558	2,08,814	
Surat	5,51,952	5,60,694	5,07,018	
<i>Central Division.</i>				
Ahmednagar	5,83,461	6,34,996	5,59,518	
East Khandesh	8,76,098	13,22,456	9,41,845	
Poona	6,38,925	6,02,344	5,89,173	
Satara	10,33,948	10,30,265	9,06,575	
Sholapur	4,15,843	4,49,795	3,73,929	
West Khandesh	4,51,696	4,67,122	4,22,483	
<i>Southern Division.</i>				
Belgaum	6,36,043	7,14,504	6,56,312	
Bijapur	5,45,333	7,31,458	4,79,732	
Dharwar	5,90,162	6,46,828	6,11,761	
Kanara	3,11,535	3,49,093	3,30,852	

APPENDIX III-A.

List of Local bodies which contravened the provisions of Provident Fund Rules. (Referred to in paragraph 4 of Chapter VIII).

(A) Local Bodies which did not invest their Provident Fund accumulations in Government securities.	(B) Local Bodies which paid interest to subscribers at rates lower than those guaranteed by Provident Fund Rules.	(C) Local Bodies the Provident Fund accounts of which were not brought up-to-date.
<i>Northern Division.</i> Bulsar Municipality. Dohad Municipal School Board. Godhra Municipal School Board. Panchmahals District Local Board. Viramgam Municipal School Board.	<i>Northern Division.</i> Kaira District Local Board.	<i>Northern Division.</i> Kaira District Local Board. Panchmahals District School Board.
<i>Central Division.</i> Chiplun Municipality. East Khandesh District School Board. Nasik District School Board. Satara District School Board. Wai Municipality.	<i>Central Division.</i> Jalgaon Municipal School Board.	<i>Central Division.</i> Ahmednagar Municipal School Board. Mhaswad Municipality. Satara District School Board.
<i>Southern Division.</i> Belgaum Municipality. Bijapur Municipal School Board. Dharwar Municipal School Board. Gadag Municipal School Board. Guledgud Municipality. Kanara District Local Board. Ranebennur Municipality. Sarsa Municipality.	<i>Southern Division.</i> Bagalkot Municipal School Board. Belgaum Municipality. Dharwar Municipal School Board. Kolaba District School Board.	<i>Southern Division.</i> Dharwar Municipal School Board. Dharwar Municipality.

APPENDIX III-(B).

List of Local Bodies which did not comply with the requirements of section 10 (1) of the Local Fund Audit Act, 1930.

(Referred to in paragraph 5 (b) of Chapter VIII).

Division.	District.	Name of Local Body.	Period of audit.	Date of issue of audit note.	Due date of receipt of replies in this Office.	Actual date of receipt of replies.
1	2	3	4	5	6	7
Central	Satara	...	1935-36	27-5-1937	27-8-1937	17-1-1938
Southern	Bijapur	...	1936-37	24-1-1938	24-4-1938	19-9-1938
		<i>Part I—Municipal Boroughs.</i>				
	Thane	Bhiwandi	1935-36	30-1-1937	30-4-1937	17-1-1938
Do.	Kaira	Borsad	1935-36	30-1-1937	30-4-1937	26-10-1937
Do.	Do.	Do.	1936-37	2-3-1938	2-6-1938	Not received.
Do.	Broach and Panch Mahals.	Jambusar	1936-37	13-11-1937	13-2-1938	27-8-1938
Do.	Thane	Kalyan	1936-37	15-9-1937	15-12-1937	Not received.
		<i>Part II—District Municipalities and Notified Area Committees.</i>				

APPENDIX III-(B)—*contd.*

Division.	District.	Name of Local Body.	Period of audit.	Date of issue of audit note.	Due date of receipt of replies in this Office.	Actual date of receipt of replies.
1	2	3	4	5	6	7
<i>Part II—District Municipalities and Notified Area Committees —contd.</i>						
Northern	Ahmedabad	Virangam	1935-36	24-5-1937	24-8-1937	3-8-1938
Central	East Khandesh	Betawad	1936-37	12-8-1937	12-11-1937	22-8-1938
Do.	Nasik	Yeola	1935-36	10-6-1937	10-9-1937	3-3-1938
Southern	Belgaum	Athni	1935-36	17-3-1937	17-6-1937	13-9-1938
Do.	Do.	Do.	1936-37	8-11-1937	8-2-1938	13-9-1938
Do.	Do.	Bailhongal	1935-36	4-3-1937	4-6-9187	16-12-1937
Do.	Do.	Do.	1936-37	26-10-1937	25-1-1938	27-8-1938
Do.	Dharwar	Haveri	1936-37	27-11-1937	27-2-1938	Not received.
Do.	Belgaum	Nipani	1935-36	1-8-1937	1-6-1937	28-10-1937
Do.	Do.	Do.	1936-37	27-11-1937	27-2-1938	24-9-1938
Do.	Do.	Soundatti-Yellamma	1935-36	5-3-1937	5-6-1937	25-10-1937

Northern	Ahmedabad	...	<i>Part III—District and Taluka Local Boards.</i>			...	1985-86	3-4-1987	3-7-1987	23-12-1987
	Do.	...	...	...	...	...	1986-87	28-8-1988	28-6-1988	2-9-1988
	Do.	...	North Dastroi	...	...	...	1986-87	16-9-1987	15-12-1987	7-9-1988
	Nasik	...	Baglan (Satara)	...	...	...	1985-86	23-2-1987	23-5-1987	6-10-1987
Central	Do.	...	Do.	...	...	...	1986-87	18-8-1987	18-11-1987	7-9-1988
	Dharwar	...	Hangal	...	...	...	1986-87	28-9-1987	28-12-1987	21-5-1988
	Do.	...	Hubli	...	...	...	1986-87	24-5-1987	24-8-1987	13-4-1988
	...	...	<i>Part IV—District School Boards.</i>			...	1986-87	8-11-1987	8-2-1988	13-7-1988
Southern	Dharwar	...	Dharwar	...	...	...	1986-87	8-11-1987	8-2-1988	13-7-1988